

The NATIONAL UNDERWRITER

Life Insurance Edition

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The NEW ENGLAND



MUTUAL

Life Insurance
Company of Boston

THE COMPANY THAT FOUNDED MUTUAL LIFE INSURANCE IN AMERICA—1835

AMERICAN LIFE CONVENTION

FRIDAY, OCTOBER 10, 1952



*By J. H. H.
Equitable Society Representative*

IF I COULD TURN BACK the hands of time and live my life all over again, I'd still go ahead and do the same thing I'm doing now...being an insurance man.

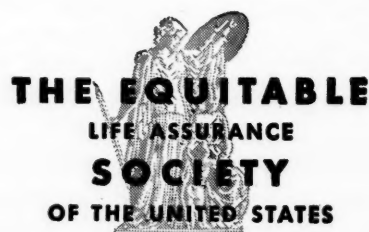
I'd still help give people the thing they have the greatest hunger for...security. People like Harry Allison, for instance. Harry has a fine wife and three swell kids. When he bought a home, I explained the Assured Home Ownership Plan to him. Today, Harry enjoys much more than his home. He enjoys the peace of mind of knowing his family won't lose their home if they should lose him.

When I hit the pillow at night and think of the many different people who are richer in peace of mind because of me, I don't need sleeping pills. For, in giving peace of mind to my fellow men, I have given it to myself...and that's the surest aid to good sound sleep there is!

If I could turn back the clock again I'd turn to the insurance business again for my profession...for my happiness...for my genuine sense of achievement...and once again, I'd turn to the Equitable Society...it's a great institution in a great business.

LISTEN TO "THIS IS YOUR FBI"... official crime-prevention broadcasts from the files of the Federal Bureau of Investigation...another public-service contribution to his community by The Equitable Society Representative.

EVERY FRIDAY NIGHT • ABC NETWORK



THOMAS I. PARKINSON, President
393 Seventh Avenue, New York 1, N. Y.

One of a series of advertisements illustrating how a representative of The Equitable Life Assurance Society serves his community by selling life insurance.

Fluegelman Blasts Charge Companies Dominate N.A.L.U.

Best Judgment of Board Guides Decisions, Asso- ciation Chief Declares

MILWAUKEE — Allegations by Silas D. Wyman that National Assn. of Life Underwriters is company dominated brought prompt denial from David B. Fluegelman, president of N.A.L.U. Mr. Wyman, an agent of Equitable Society at Boston, president of the Agents Assn. of Equitable Society and a former trustee of N.A.L.U., made his accusations in an open letter to Life Insurance Assn. of America and American Life Convention.

Said Mr. Fluegelman in a statement prepared for delivery during his talk this week before the Milwaukee Life Underwriters Assn.:

Has Complete Freedom

"Last week's trade press gave publicity to certain statements implying domination of N.A.L.U. by the life insurance companies. It is especially appropriate to observe while I am in Milwaukee in the presence of the company I represent, the Northwestern Mutual Life, that I never have been, nor am I now, dominated by my company. I maintain complete freedom of thought and action and attempt to serve in the best interest of N.A.L.U. without consultation with or advice from my company. From many years of membership in and service to the N.A.L.U. I can state forthrightly that our association is beholden to no one, dominated by no individual or group, and makes all of its decisions solely in accordance with the best judgment of its officers and trustees.

"Any statements to the contrary deliberately ignore or distort the facts. If the actions of N.A.L.U. and those of the companies are sometimes parallel, it is merely because inevitably in acting for the public interest we must sometimes choose to take a position similar to others in the institution of life insurance."

WOODSON'S ANSWER

NEW YORK — Asked by THE NATIONAL UNDERWRITER about Silas Wyman's allegation that representation of N.A.L.U. on the companies' committee engaged in seeking revision of the New York expense limitation law violated N.A.L.U.'s agreement of several years ago not to engage in collective bargaining activities, Managing Director B. N. Woodson of N.A.L.U. said:

"The fact that we accepted the appointment speaks for itself. Of course we are not in violation."

Walsh Joins C.L.U. Society

American Society of C.L.U. has appointed Eugene P. Walsh to its staff. Mr. Walsh formerly was with Prudential-Hall, and the E. B. Wilson Advertising Agency at New York City. He has written extensively on estate planning, decedents' estate law and taxes for technical and popular publications. His initial function will be the editing of Query, the society's monthly publication.

Falk Provides Blueprint for National Health Plan

The President's Commission on the Health Needs of the Nation, meeting at Washington this week, was handed a blueprint for compulsory national health insurance by I. S. Falk of the Federal Security Agency. Presumably, Mr. Falk's statement represents the current thinking of those in FSA who have been most active in promoting and publicizing the issue of national health insurance.

The alternative to a program such as he suggested, Mr. Falk said, would among other things, mean that "voluntary insurance of the kinds now predominant will increase in population coverage, but measured against the total need—will continue to provide limited and meager insurance protection."

His presentation included the complete argument favoring adoption of national health insurance, the reasons for doing it, as well as the plan in a nutshell together with a description of the results that would ensue.

Witnesses Differ Widely

Witnesses differed radically in testimony before the commission. Dr. Frank G. Dickinson, American Medical Assn., defended his profession's job in meeting health needs privately and through prepay insurance plans.

Harry Becker, one of the directors of commission on financing hospital care, contended voluntary plans could meet the needs if the government would cooperate. But government not only doesn't pay half insurance costs as many private employers do for their employees, but will not permit federal employees to pay full costs through payroll deductions, he said.

Dr. George Baehr, New York Health Insurance Plan, said voluntary health insurance will not fill the bill unless it provides complete coverage, including preventive medicine. And, he added, voluntary plans can only furnish such service through group medical practice. But some states prohibit prepaid group practice and local physicians discourage doctors practicing on a group prepaid basis.

Should Cover Six Needs

"If the burdens of medical costs are to be prevented," Mr. Falk stated, "insurance has to extend to six kinds of costs—those for physician, hospital, dentist, nurse, laboratory, and probably about one-third of the expenditures for drugs and appliances. Taken together, these six now account for nearly 80% of all private expenditures for medical services and commodities.

"If the families of the nation have substantially less than such comprehensive insurance, they have no sure protection because no family can reliably anticipate what kinds of illness it may have, or what kinds of services or costs, or in what amounts, an illness may bring. Less than comprehensive insurance leaves gaps in insurance protection, invites partial care and excessive costs for insured services, and retains the financial barriers against preventive and early care.

"Private expenditures for medical care in 1951, exclusive of the net cost of insurance, were about \$8.6 billion. Protection against 80% means insurance that covers, at the minimum, \$6.8 billion of private costs.

"It is reported that about 86 million different people—about 56% of the population—had some insurance against medical costs at the end of 1951. But the aggregate benefit payments under all of this insurance amounted to only \$1.35 billion, or less than 16% of total private expenditures. This is less than 20% of

the minimal amount of insurance protection we needed in 1951.

"If 86 million people had some insurance at the end of 1951, why did all insurance meet less than 20% of minimum need? The answer lies in the fact that only about 3 million of the 86 million had more or less comprehensive insurance protection. The other 83 million had various degrees of limited insurance protection.

"The need for wider insurance thus refers to the gap between the 16% of insurance protection we had in 1951 and the 80% we needed.

"The population coverage of private insurance has been increasing rapidly. As long as there is no set-back in our economy, continued increase may be expected for some time to come. Will such further growth meet the need?

Insurers Won't Fill Bill

"Assume that hospitalization insurance succeeds in covering 75% of the population within the next five or 10 years, and that other voluntary insurance grows correspondingly. All voluntary insurance would then insure against only about 21% of total private expenditures for medical care, or about 26% of the minimum insurance we need.

"To achieve more, private insurance would have to broaden its benefits greatly, while covering people who are increasingly difficult for it to reach and who would include a rising proportion of "bad risks." There is little ground for optimism here. Benefit expenditures per insured person, as well as premiums, have increased in recent years. But when adjusted for rising costs, there is no evidence of substantial or sustained increase in insurance protection.

Some Can't Afford It

"Perhaps it will be said that private insurance will be able to broaden protection after it has achieved larger population coverages. Against this stands the fundamental and stubborn difficulty that, without subsidies or compulsions, open or concealed, voluntary insurance has to be sold at a uniform premium. Each increase in premium to broaden protection carries the insurance beyond the means of some who should be insured.

"Unless the middle and lower income groups are subsidized so that their premiums can be reduced, or the insurance carrier is subsidized so that it can charge a uniform premium at a reduced level, voluntary insurance will be unable to broaden both its population coverage and its scope of benefits. Solution by subsidy is not to be embraced lightly, since the needed subsidies would involve billions of dollars.

"Voluntary insurance plans not only fail to provide adequate insurance protection but they do not, and apparently cannot, provide needed additional financial support for personnel and facilities and for educational and related resources. They hinder at least as much as they help the development of group practice arrangements required for advancement of quality of care. They encourage segmented and categorical services, with excesses in various directions, rather than coordinated care. They impede as much as they support modern preventive medicine. They are inherently more expensive than comprehensive insurance can and should be. And some of them encourage financial exploitation by practitioners and progressive commercialization of health services.

"Voluntary insurance has brought val-

(CONTINUED ON PAGE 28)

Lee Parker Named ALC Administrative Vice-President

To Head Operations at Chicago Office Under Hogg's Over-All Direction

Lee N. Parker, president of the American Service Bureau, has been selected by the executive

committee of the American Life Convention to become administrative vice-president in charge of the operations of the A.L.C. Chicago headquarters under the over-all direction of Robert L. Hogg, executive vice-president, Mr. Hogg announced at the A.L.C. annual meeting in Chicago.



L. N. Parker

For the past several months the demands upon Mr. Hogg in connection with the A.L.C.'s Washington office have been so heavy that the executive committee deemed it advisable to relieve him to the greatest possible extent of the administrative work at Chicago.

For the past 30 years Mr. Parker has been with the American Service Bureau in a managerial capacity. The bureau is the inspection affiliate of A.L.C. Since 1933 Mr. Parker has served as the bureau's president and will continue to hold that position. He became executive head of the bureau 25 years ago and in recognition of this service was made an honorary member of A.L.C. at the convention's meeting last year.

A testimonial dinner, planned originally for Mr. Parker's 25th anniversary last December, was postponed because of conflicting schedules and the inability of many executive committee members, past presidents, and other friends to be on hand. The dinner was held last March 18 in Chicago.

Mr. Parker graduated from University of Michigan in 1917 and is a veteran of the first world war.

Davis, Central Standard V-P, Resigns to Take Field Post

O. F. Davis, vice-president of Central Standard Life, is resigning Nov. 1 to take a field management position for a midwestern company. Though details are not yet available, it is understood Mr. Davis' new position will be in the southeast.

Mr. Davis, who served as president of H. & A. Underwriters Conference in 1943-44, started in the business in 1921 with the old Commercial H. & A. of Springfield, Ill. This company later became Mutual Life of Illinois, and in 1926 changed its name to Abraham Lincoln Life. He was at one time agency director in charge of both the life and A. & H. departments of Abraham Lincoln, as well as a director.

With the merger of Abraham Lincoln and Illinois Bankers Life in 1935, Mr. Davis continued in charge of the A. & H. department and as assistant agency director. He was named secretary in 1942. He became vice-president of Central Standard shortly after that company reinsured Illinois Bankers.

LEADERS MEET AT CHICAGO

Continental Assurance Steps Into \$2 Billion Circle

Announcement by President Roy Tuchbreiter that Continental Assurance has passed the \$2 billion insurance in force mark highlighted the Pyramid Club convention at Chicago for 250 production leaders.

Continental has registered outstanding growth in the past decade, its insurance in-force figure in 1941 being \$420,318,739. The \$1 million mark was reached in 1948.

The first Illinois company to achieve the \$2 billion in-force figure, Continental Assurance is said to be the first in the nation to attain this status without reinsurance or merger in such a short time, and the youngest \$2 billion company in the nation in the point of date of organization. Continental is entering its 42nd year of operation.

Assets Are \$219 Million

The company has admitted assets of more than \$219 million, capital and surplus to policyholders exceeding \$22 million and total income this year will approximate \$75 million. Moreover, at June 30 the Continental companies, which constitute the largest multiple line insurance institution west of Hartford, had combined assets of \$436 million.

The \$2 billion celebration banquet was a gala affair with top flight entertainment and a minimum of oratory. President Roy Tuchbreiter let the figures speak for themselves. Mr. Tuchbreiter said he is known as a "crowder." That means he wants the job done yesterday. He said he has no apologies to offer for being a "pusher." When he finished speaking curtains were pulled aside revealing a huge chart showing Continental's growth over the years in assets and insurance in force and this was breathtaking.

Insurance Director Day of Illinois, responding to an introduction, brought down the house with an indirect allusion to the political fund issue so extensively ventilated. He said he wanted it understood that he had paid for his dinner. He said aggressiveness is what has made insurance in Illinois great. "We don't aspire to uniformity insurance-wise," he said, "and the record of the past 10 years shows us what this gets us. In that decade premiums for all types of insurance have gone up 125% while for Illinois companies the increase has been 350%."

Hear Howard Reeder

Following Mr. Tuchbreiter's welcome, business sessions got under way with an address by Howard C. Reeder, executive vice-president, on the agents' place in Continental's growth to \$2 billion in force. "New ordinary business of Continental is up 31% as against an average of 12% for the business as a whole," he said. While there is much concern among insurance people today because the average company and agent actually is making fewer sales and less first-year commissions than only a few years ago, he remarked that Continental applications have increased 30% and commission dollars are up \$300,000 for the first six months of the year.

One of the reasons for continued growth was underlined by E. J. Stone, Houston, who pointed out that "life insurance develops leads and sources of general insurance business. If life insurance is considered as another major facility to offer, the agent will sell more of both life and general insurance."



Roy Tuchbreiter

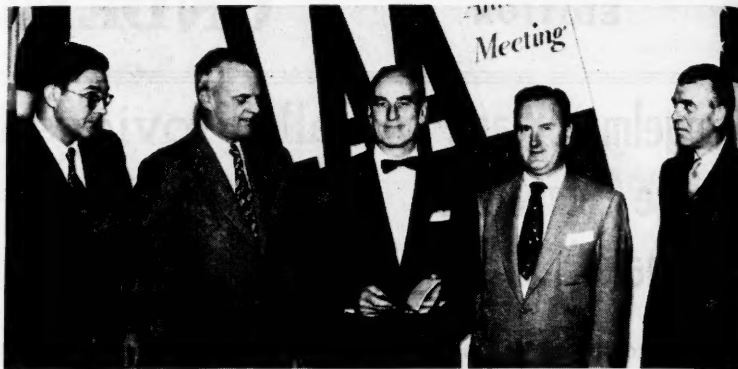
In a unique approach to prospecting, Michael Julian, Utica, compared his prospect file to a bank. "When I withdraw a prospect from my bank," he said, "I make it my business to find and deposit six more prospects to my account."

Harold A. Hein, Detroit, noted that the Bible shows that ancient wise men saw the necessity for assuring basic needs and went so far as to make religious laws protecting a family's future. Leonard Fletcher, Cleveland, himself 23, advised, when selling prospects in their 20's, coordinating all life insurance into a systematic plan, though taking time to explain that the program is flexible. Al Shimoguchi, San Jose, noted that when his production slumped after the first few months in the business, analysis indicated that increasing technical knowledge was getting between him and his prospects.

Doubt as to the future of group insurance was dispelled by a panel which agreed that such business was available everywhere. John Gage, Danville, Ill., cited experience to show the many prospects in farming communities; Newton H. Johnson, Toledo, described small cases as profitable since they usually lead to new accounts; Joshua Glasser, Chicago, traced industrial growth to prove that group opportunities are greater than ever before.

Past and future underwriting was explored by Dr. Clifton Reeder, medical director. He said that Continental consistently has made efforts to broaden the field of acceptance and shrink the area of rejection. Dr. Harry Dingman,

New Officers of Life Advertisers Assn.



New officers of Life Insurance Advertisers Assn. elected at the meeting at Montreal: From left, Henry Morrow, Life of Georgia, editor; John L. Briggs, Southland Life, treasurer; David W. Tibbott, New England Mutual, president; Jack R. Morris, Business Men's Assurance, vice-president; A. H. Thiemann, New York Life, secretary.

vice-president, observed the company has increased responsibilities in its \$2 billion role.

Howard J. Riordan, Washington, advised simplicity in sales approach, noting that he hasn't "sold a life insurance policy since my first year in the business; I sell insured titles—bridges to the future, just as optometrists sell better vision, not glasses."

The morning of the third day was given over to concurrent forums covering specialized fields, allowing agents to select some of their own convention fare.

Following adjournment of the Pyramid Club, members of the President's club left for their convention at Bermuda the early part of this week where sessions emphasized specialized and technical aspects of business insurance, tax, and estate problems.

J. E. Powell Heads Economics Society

James E. Powell, vice-president of Provident Life & Accident, was elected president of Insurance Economics Society at the annual meeting at Chicago this week. He succeeds F. L. Harrington, president of Massachusetts Protective and Paul Revere Life, who was elected to the executive committee.

Travis T. Wallace, president Great American Reserve of Dallas, was elected first vice-president, and E. W. Craig, president National Life & Accident, was elected second vice-president. H. O. Fishback, Jr., vice-president of Northern Life, was reelected secretary.

Others elected to the executive committee were: R. W. Smith, Sr., Unity Mutual Life & Accident; J. E. Helgren, Lumbermen Mutual Casualty; Jarvis Farley, Massachusetts Indemnity; R. J. Wetterlund, Washington National, and E. J. Faulkner, Woodmen Accident.

E. H. O'Connor, managing director, reviewed the 1952 legislative results in the field of sickness compensation and sketched the problems ahead which should be watched in 1953 on both the federal and state levels.

Also discussed was the development of a broader educational program and a stronger legislative front on both the states and at Washington.

Still Face Problem of Military Base Selling

There was a big turnout at the zone 3 commissioners meeting at Mobile. There were about 400 at the dinner. This included a large insurance delegation, but along with that there was some civic participation such as the Optimist Club. Commissioner Longshore of Alabama was the toastmaster.

George Bowles, Virginia commissioner, spoke at a luncheon meeting on plans for the N.A.I.C. convention at New York in December. He said as usual the entertainment features will be subdued and there will simply be one group luncheon. He said that the plans for these conventions should be left almost entirely to the assistant secretary at the headquarters office. There was a dance following the banquet.

Pat Murphy of South Carolina, vice-president of N.A.I.C., spoke on the sale of life insurance at military bases. He mentioned that he and Southall of Kentucky and Butler of Texas were appointed to confer at Washington. He said they had a conference with defense department representatives and the services of the state insurance departments were offered in trying to work out the problems involved. Mrs. Anna Rosenberg said that she would try to have a defense department committee appointed to work on the matter, and Mr. Murphy said he hoped that something in the way of a solution could be reported by the time of the December meeting.

The COMMONWEALTH Commentary

Home Town Demand

In greater Louisville, Commonwealth's home town, six separate district and branch offices are maintained to take care of our policyowners. And more than one hundred and twenty-five Commonwealth Careermen devote their full-time efforts to this job.

Louisvillians and their neighbors know Commonwealth best, and it is significant that one out of every five is insured with us. Commonwealth deeply appreciates the interest and confidence that Louisvillians have consistently shown in their company's progress.

INSURANCE IN FORCE, September 1, 1952—\$582,053,702



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Public Actuaries Elect E. D. Brown

Edward D. Brown, Jr., Chicago, was elected president of Conference of Actuaries in Public Practice at its annual meeting at Chicago. He succeeds Harry S. Tressel of Chicago who had served as president for two years and now becomes treasurer.

This was the first formal, all-day meeting of the conference and it attracted about 50 actuaries. Several topical papers were read with informal discussion following.

Other officers, all Chicagoans, are H. N. Bruce, vice-president; D. F. Campbell, Jr., secretary, and Joseph Froggart, Jr., editor.

New directors are John A. Copeland, Sr., Atlanta; J. O. Mims, Fort Worth, Tex.; Harmon R. Taylor, Cedar Rapids, Ia., and E. I. Evans, Columbus, O. Mr. Evans succeeds the late Chase Conover of Chicago.

N.A.I.C. Zone 4 Men Hold Session at Milwaukee

The zone 4 commissioners were in session at Milwaukee last Friday and Saturday with Insurance Director Day of Illinois as chairman. Mr. Day returned to Chicago Thursday evening for the banquet celebrating the attainment of \$2 billion of life insurance in force by Continental Assurance, but he was back in Milwaukee for the final session. Commissioner Navarre of Michigan was on hand the first day, but had an emergency call that the Michigan insurance department was about to have a lot of its office space amputated and he hustled back to save the day and was not present to give his report on research into company examination procedures and techniques.

Other full commissioners present were Nelson of Minnesota, Mitchell of South Dakota and Lange of Wisconsin. Clarence C. Klocks of Northwestern Mutual Life was chairman of the committee on arrangements. The group had dinner and an evening of entertainment at Blatz Brewery, and heard a talk by Lloyd Larson, sports editor of Milwaukee Sentinel and saw a film on the 1951 University of Wisconsin football highlights.

There was a convention luncheon on Friday with the Wisconsin companies as hosts.

Edward J. Dirksen, assistant Illinois insurance director, gave a paper on regulation of installment sales. Mr. Dirksen's talk was mainly a review of regulatory and legislative attempts to deal with abuses in the handling of insurance in connection with installment sales. He gave some firsthand impressions, however, saying that just recently a complaint was made to the Illinois department about an appliance company that

collected \$20 for accident and health coverage in connection with the installment sale of refrigerators. There was no insurer involved. It was simply an agreement by the appliance company that monthly payments would be waived upon the purchasers furnishing a certificate of disability by a physician. Mr. Dirksen said this has been stopped as an unauthorized insurance operation.

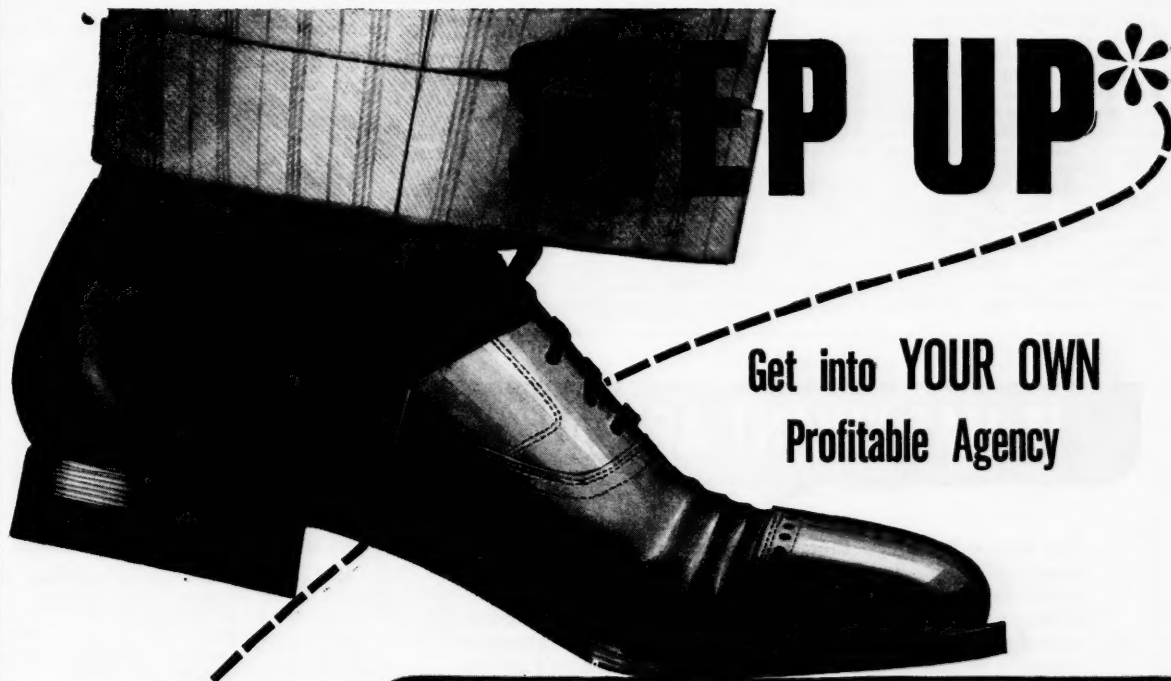
Many of the conventioners stayed over and were taken to the Wisconsin-Illinois football game at Madison.

Illinois Plant Shows How Life Insurance Dollars Work

A vivid demonstration of how life insurance dollars go to work for the national economy is being made at Joppa, Ill., where a new \$100 million electric energy plant is being built to supply power to the atomic energy installation across the Ohio river near Paducah, Ky. The first turbine is expected to turn in January.

The Joppa plant, creating at least 1,500 permanent jobs, supplying a new family income of some \$8 million annually for the area, was financed with life insurance funds, according to the Institute of Life Insurance.

The part life insurance is playing in this case is especially apparent because the project is being built in an unpopulated area in southern Illinois, whereas generally industrial projects are buried in the midst of already active industrial communities.



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Ill. Asks Injunction to Keep American Farmers Out Unless Licensed

The Illinois department has brought suit asking a permanent injunction against American Farmers of Phoenix to prevent that company from doing any further business in Illinois until it is issued a certificate of authority.

The suit was filed in circuit court of McDonough county, which granted a temporary injunction Sept. 29 preventing American Farmers from doing any business until a permanent injunction is either granted or refused.

The complaint alleges that American Farmers has actively solicited residents in Illinois by mail to become "recommending members." These "recommending members" are then invited to solicit insurance in Illinois, American Farmers providing supplies of applications along with company receipt forms.

American Farmers is said to use a subterfuge of giving its "recommending members," which the complaint states are actually agents, a "certificate of authority" of the company which confuses the "recommending members" into believing that the

company is complying with the Illinois insurance laws. Included as a defendant is Bernard A. Pratt of Bushnell, Ill., who was alleged to have solicited insurance on behalf of American Farmers.

In addition to asking for the injunction, the department requests statutory penalties against the company. Provision for a case of this nature is for a fine of not less than \$100 or more than \$1,000 for each offense.

The president of American Farmers is Mike O'Sullivan, who is a colorful figure in the A. & H. ranks, known especially for his western garb and display of six-shooters.

Fluegelman States N.A.L.U. Group Stand in Chicago Talk

President David B. Fluegelman of National Assn. of Life Underwriters presented N.A.L.U.'s stand on group insurance in his talk before the Chicago Group Supervisors Assn. He outlined phases of the group business which he said should be corrected if the entire group business is not to be placed in jeopardy.

He opined that group representatives themselves should look into the situation to make the necessary corrections.

He expressed opposition to writing large amounts of group coverage on individual lives although he indicated the limitations should be in relation to the insured's compensation rather than a uniform dollar ceiling. He also said many cases are written that don't properly qualify for group.

200 Attend National, Vt., Breakfast for Bankers

National Life of Vermont's annual maple breakfast held in conjunction with the annual meeting of Mortgage Bankers Assn. at Chicago attracted an attendance of 200, including some of the leading bankers in the country.

L. D. Meredith, executive vice-president and chairman, committee on finance, of National Life, welcomed the gathering. Mr. Meredith, one of the main convention speakers, was appointed to the ways and means committee of the M.B.A. Another National Life executive, Supervisor of Real Estate In-

vestments Addison C. Pond, was named to the association's federal housing administration committee.

Incorrect Application Is Often to Blame in A. & H. Complaints, Murphy Says

Nine out of ten A. & H. policyholders who claim they have been gyped, have actually gyped themselves out of benefits by having made false statements when applying for the policy or in having withheld the full facts in connection with health history, Commissioner William R. Murphy of Delaware declared in a statement on A. & H. complaints.

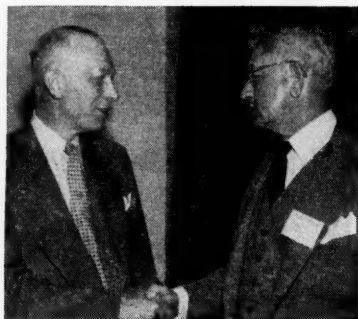
Noting that an unusual number of complaints have been brought to the department's attention involving hospitalization and similar coverages, Mr. Murphy said:

"The department has reached the conclusion that much of this could be avoided if there were a better understanding on the part of the insured and prospective purchasers of this type of insurance."

When a claim has been rejected, the insured invariably points his finger at the company, but Mr. Murphy cautioned that "every person should endeavor to realize that when he signs an application for insurance, he is just as responsible for the honesty of his statements as an insurance company is in living up to the policy contract."

Terry Archer, district manager for National Life & Accident at Chattanooga, has retired after 37 years with the company.

George Willard Smith, chairman of New England Mutual Life, and Mrs. Smith are enjoying a European vacation. They will be away until the end of November. They are motoring through Italy and plan to tour Spain also.



A. A. Tousaw, assistant to president of Sun Life of Montreal, with Laurence F. Lee, president of Occidental Life of Raleigh, of Peninsular Life of Jacksonville, and of U. S. Chamber of Commerce giving the A.L.C. grip at Chicago meeting.

IT HAS "WANT APPEAL"!

The unique Berkshire "Progressive Security Plan" is a popular easy-to-sell policy that is building production for our agents on a steadily increasing basis. It accounts for approximately 20% of their volume in the Juvenile field, and frequently leads to the sale of additional policies to fulfill other needs. Here is a typical example of the complete, modern line of Berkshire's active commission-makers!

PROGRESSIVE SECURITY PLAN

Ultimate at Age 1 Policy
Ages of Issue 0 to 14 Inclusive

(Not available in New York State below Issue Age 5. However, Ultimate at Age 5—Return Premium Policy is available Ages 0 to 4.)

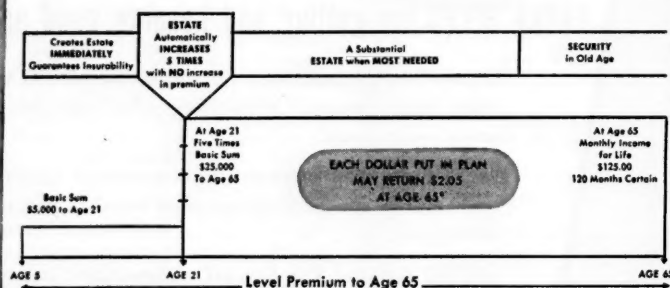


Illustration — Five units — based on Age 5 Male
Annual Premium \$266.75

Guaranteed Cash Value at Age 65	\$20,300.00
Dividend* Accumulations at Age 65	12,454.25
Total	\$32,754.25
Total Premiums to Age 65	16,005.00
Excess Over Cost	\$16,749.25

*The dividends in this illustration are neither estimated nor guaranteed, but are computed on the same basis as the scale of dividends in effect on the date of this illustration (July 1, 1931 Basis). Similarly, the interest rate assumed is that currently allowed on such accumulations.



BERKSHIRE

LIFE INSURANCE COMPANY

Life, Annuities, Accident & Health and Hospitalization

HARRISON L. AMBER, President

PITTSFIELD, MASS. • A MUTUAL COMPANY • CHARTERED 1851

Our service in the field of personal insurance is now complete with the addition of the Security Line of Accident and Sickness.

Offered on the same high standard which has characterized our Company for over a half century, this service will be available January 1, 1933.

Write for available territory

THE SECURITY MUTUAL LIFE INSURANCE COMPANY

T. A. Sick, President

Lincoln, Nebraska

Life Division of New York Department Is Realigned

The real estate and life insurance bureaus of the New York department have been consolidated under the supervision of Deputy Superintendent Adelbert G. Straub, Jr. Julius Sackman is chief of the life bureau, while C. J. E. Robinson is in charge of the fraternal section, and Roger L. Sullivan is chief real estate appraiser.

The first step in a reorganization program was taken early this year when the functions of the mutual and fraternal bureau were transferred to the life and casualty bureaus.

Coincident with the consolidation, the supervisory duties of the five deputy superintendents were realigned as follows: George H. Kline, rating, audit, uniform accounting and statistical bureaus; Mr. Straub, life, liquidation and administration bureaus; Joseph F. Murphy, property, policy and the New York City complaint bureau; Raymond Harris, actuarial, cooperative fire and general office; Walter F. Brooks, qualifications, licensing, taxes and accounts and the Albany complaint bureau. Mr. Harris will also continue to serve as department counsel.

Streb Succeeds Kenney

E. F. Kenney has resigned as general agent of Aetna Life at Oakland, Cal., and Walter A. Streb has been appointed to succeed him. For two years Mr. Streb has been assistant general agent at Los Angeles and previously held a similar position at Cincinnati. He has been with Aetna Life since 1936, serving as cashier and supervisor in a number of agencies.

Mr. Kenney, who has been general agent at Oakland since 1945, will devote himself to his old clients.

Franklin GAIN Is \$155 Million

An item in last week's issue dealing with Franklin Life's increase in insurance in force for the first eight months as compared with the corresponding period a year earlier was ambiguous to the extent that the amount listed might have been construed as the total amount of insurance in force.

The company's total in force figure exceeds \$1.25 billion. The \$155 million figure shown in the article is the amount

of in force gain for the first eight months of 1952, as compared with the same period of 1951.

Managers Honor Campbell

Charles W. Campbell, recently elected vice-president of Prudential and before that for many years general agent at Newark, was honored at a luncheon there by Northern New Jersey General Agents & Managers Assn.

Prudential Names Nemet, Miller

Prudential has appointed Morton Nemet district manager at Cincinnati, and

Randall A. Miller district manager at Atlanta. Mr. Nemet succeeds Lewis E. Hammitt, and Mr. Miller replaces F. Scott Robinson, who recently transferred to the new district office at York, Pa. Mr. Nemet went with the company in 1934, Mr. Miller in 1948.

Primary Vote in Wash.

The final count in the Washington primary for insurance commissioner was, in round figures, William A. Sullivan, Democratic incumbent, 263,000; Fred C. Becker, Republican, 216,000. Neither was opposed for the nomination.

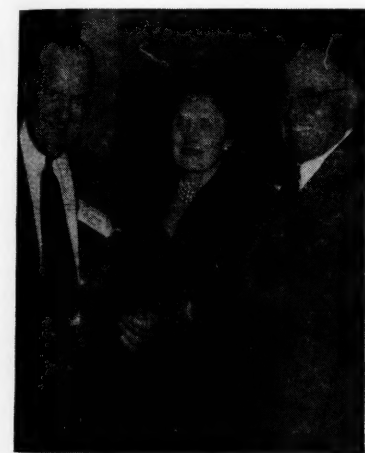


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OMAHA, NEBRASKA

Traditional host to nation-wide travelers, modern Hotel Paxton stands in the heart of Omaha, the crossroads of the nation. Omaha's newest and finest hotel, the Paxton offers modern air conditioned guest rooms, the smart Pax Room for dining and dancing, the beautiful Mural Lounge for cocktails and for delightful dining the charming Tavern Grill and the tastefully appointed Coffee Shop. For better living in Omaha... always pick the Paxton

Carry a Universal Credit Card! It is convenient and often saves embarrassment. Address applications to: Credit Dept., The National Hotel Company, Anico Bldg., Galveston, Texas.



R. B. Richardson, president of Western Life of Helena; Mrs. Leo Cavanaugh, wife of the president of Federal Life, and James Daggett, president of Old Line Life, at A. L. C. meeting.

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FOR THE
INSURANCE BUSINESS

"Say it" on Fox River cotton-fiber paper, and it will always be there! Cotton-fiber assures permanence for policies, special settlements, office forms, all vital correspondence. Hardest file-handling hardly shows. Stays white for years... has that currency-feel that makes an impression of stability. Ask your printer for bond, onion skin, or ledger samples... or write FOX RIVER PAPER CORP., Appleton, Wisconsin. Makers of fine papers since 1883.

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HOTEL ADMIRAL SEMMES.....Mobile	HOTEL STEPHEN F. AUSTIN.....Austin	HOTEL CLAYPOOL.....Indianapolis	
HOTEL THOMAS JEFFERSON.....Birmingham	HOTEL EDSON.....Beaumont	HOTEL WASHINGTON WASHINGTON, D. C.	
DISTRICT OF COLUMBIA	HOTEL BROWNWOOD.....Brownwood		
HOTEL WASHINGTON.....Washington	HOTEL BAKER.....Dallas	HOTEL JUNG NEW ORLEANS, LA.	HOTEL THOMAS JEFFERSON BIRMINGHAM, ALA.
INDIANA	HOTEL TRAVIS.....Dallas		
HOTEL CLAYPOOL.....Indianapolis	HOTEL CORTEZ.....El Paso	HOTEL MONTECELLO NORFOLK, VIRGINIA	
LOUISIANA	HOTEL BUCKANEER.....Galveston		
JUNG HOTEL.....New Orleans	HOTEL GALVEZ.....Galveston	HOTEL MOUNTAIN LAKE MOUNTAIN LAKE, VIRGINIA	
HOTEL DESOTO.....New Orleans	HOTEL JEAN LAPITTE.....Galveston		
NEBRASKA	CORONADO COURTS.....Galveston		
HOTEL PAXTON.....Omaha	MIRAMAR COURT.....Galveston		
NEW MEXICO	HOTEL CAVALIER.....Galveston		
HOTEL CLOVIS.....Clovis	HOTEL PLAZA.....Laredo		
SOUTH CAROLINA	HOTEL LUBBOCK.....Lubbock		
HOTEL WADE HAMPTON.....Columbia	HOTEL FALLS.....Marlin		
	HOTEL CACTUS.....San Angelo		
	HOTEL MENDER.....San Antonio		
	VIRGINIA		
	HOTEL MOUNTAIN LAKE.....Mountain Lake		
	HOTEL MONTECELLO.....Norfolk		
	HOTEL BAKER DALLAS, TEXAS		
	HOTEL WADE HAMPTON COLUMBIA, S. C.		

AFFILIATED NATIONAL HOTELS

Vote as you please... but VOTE!

LIFE AGENCY CHANGES

Penn Mutual Names Drimal at N. Y. C.

Penn Mutual Life has appointed Charles E. Drimal general agent at New York City, succeeding Ralph G. Engelsman, who returns to personal production.

Mr. Drimal entered the business with the Engelsman agency in 1946, and became supervisor last May.

He is an instructor in L.U.T.C., and former speaker at sales congresses, sponsored by both the New York State Assn. of Life Underwriters and the New York City association. He has also addressed association gatherings at Pittsburgh, Hartford, Buffalo, and other cities.

Mr. Drimal produced \$280,000 in 1946, his first year in the business, and by



C. E. Drimal

1950, his total had jumped to nearly \$850,000. He is a veteran.

Miner, Barber Figure in Beneficial Life Changes

Beneficial Life has appointed Richard A. Miner, field supervisor at the home office, general agent at San Bernardino, Cal. D. Keith Barber has been named field supervisor to succeed Mr. Miner, the latter in turn replaces B. H. Faulk who has retired as San Bernardino general agent for reasons of health but who will continue in personal production.

Mr. Miner joined Beneficial Life as an agent at Seattle and later served at Berkeley before being named field supervisor last May.

Mr. Keith has been with the company for six years, starting at Seattle.

Security Mutual Changes

Security Mutual Life of Binghamton has appointed Richard W. Ellsworth as assistant to the general agent of the J. Harold Kay agency at Miami Beach, Fla.

Also, Joseph M. Schofel and Irwin

M. Flaster have been made members of the J. Harold Kay agency at Newark where Mr. Kay began with the company in 1941 and served until expanding his operations to Miami Beach last year.

Mr. Ellsworth joined the company in 1935, and has headed home office policy loan department and has served as an assistant in the home office agency department. He is a war veteran.

Mr. Schofel, a veteran of the last war, has been with the Newark agency since 1945. Mr. Flaster for many years has conducted the Leo Flaster agency at Newark, and has been with the Kay agency for about three years. Earlier, he was with Penn Mutual, Connecticut Mutual, Prudential and John Hancock.

Orr, Hege Appointed Agency Heads by Phoenix Mutual

Phoenix Mutual Life has appointed Leonard C. Orr manager for the new agency at Grand Rapids, Mich., and Edwin C. Hege manager at Louisville.

Mr. Orr joined the company at De-



L. C. Orr



E. C. Hege

troit in 1946 and became supervisor there in 1950, after further training at Buffalo, New York and Hartford.

Mr. Hege went with the company in

1948. He became a supervisor in 1950, following training at Providence, New York, and Hartford. He is a veteran.

Specht Named by Security Mutual of Binghamton

Security Mutual Life of Binghamton

has named Myron I. Specht general agent at Brooklyn. He was formerly assistant general agent for Mutual Trust Life there.

Mr. Specht entered the business with Prudential in 1947. He is president of the Brooklyn supervisors, and an instructor in L.U.T.C. He is a veteran.



M. I. Specht

Lee National Life Changes

Lee National Life has advanced Joseph G. Preddy, general agent at Shreveport, La., to supervisor of agencies. P. D. Waller, a company founder and director, will succeed Mr. Preddy as general agent at Shreveport. Mr. Preddy has been with the company since 1949.

H. D. Lapp Is Retiring

H. Drew Lapp, general agent at Springfield, Ill., for State Mutual Life since 1941, has retired under the company's pension plan. All agency business has been transferred to the Nothelfer & Leck agency at Chicago, where Mr. Lapp will be associated as a personal producer.

Mr. Lapp joined State Mutual in 1912 as an agent at Quincy and later be-

RE-ALLOCATION

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above average men

Territories open
CENTRAL
and
SOUTHWESTERN
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A complete line of
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Our Contract is a Valuable Franchise

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AS a leader in the non-cancellable disability field, we invite comparisons of benefits . . . of premiums . . . of service. But we especially welcome your attention to the manner in which we treat the policyholder.

THE *Paul Revere Life*
INSURANCE COMPANY
WORCESTER 2, MASSACHUSETTS

Frank L. Harrington.....President
Edward R. Hodgkins.....Vice-Pres. and Mgr. of Agencies

★ NON-CANCELLABLE ACCIDENT & SICKNESS • LIFE • GROUP ★

Agency representation in the 48 states, the District of Columbia, Hawaii and Canada

came associate general agent at Chicago before going to Springfield.

Bankers Life of Iowa Names Saville, Fehl, Tubman

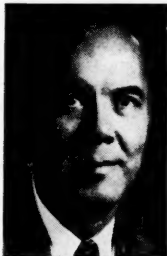
Bankers Life of Iowa has advanced W. Keith Saville, supervisor at Los Angeles since 1948, to manager at Fresno. The company has also named Charles P. Fehl manager at Cleveland, and Robert K. Tubman manager at Phoenix. Mr. Fehl was formerly assistant general agent for New England Mutual at Cleveland, and Mr. Tubman was assistant manager for Prudential at Tucson.



W. K. Saville



Charles P. Fehl



R. K. Tubman

He is 2nd vice-president of Cleveland Assn. of Life Underwriters, and immediate past president of the Cleveland supervisors.

Mr. Tubman started with Prudential at Tucson in 1948 and transferred to Phoenix the following year.

Assign Murray, Douglas

National Life of Vermont has appointed E. Reginald Murray, agency secretary, associate general agent at Atlanta, and Newton R. Douglas, assistant secretary, associate general agent at Memphis. Both have been with the company since 1946. Mr. Murray became agency secretary in 1949, and Mr. Douglas was appointed assistant secretary in 1950.

LIFE MANAGERS

Michigan Managers Hold Clinic at State College

EAST LANSING, MICH.—Considerable self criticism marked the Michigan Life Agency Management Assn. clinic conference at Michigan State College. The two-day short course attracted an enrollment of about 175 managers and assistant managers. Its theme was "Training the Trainer."

R. E. Pille, vice-president of Mutual Benefit Life, stressed that the manager, first of all, should not seek to make himself an indispensable figure in the agency organization. "Don't consider yourself too important," he warned, advising maximum cultivation of the talents and energy of the agency staff and sales force.

Several speakers said agency management has not progressed in the same ratio as has selling efficiency in the business.

William Sullivan, Metropolitan Life manager at Cincinnati, speaking on "Training to Do What," said the manager must make use of his knowledge of the basic aspirations and desires of humankind and apply these principles to every-day management problems.

Other speakers included: F. L. Merritt, vice-president, Central Life of Iowa; O. R. Aspegren, II, Ohio National Life, Chicago; Frank Klingbeil, Prudential, Detroit; Ray Wertz, Reliance Life, Detroit, vice-chairman General Agents & Managers Conference of N.A.L.U. Prof. E. A. Gee of the college business administration division outlined the life courses available and described development of the program.

Roy Mathews, Wisconsin National, Flint, was general chairman and Lester Peters, Metropolitan, Lansing, president of the Michigan managers' organization, was active in setting up the conference. It was decided to hold a similar conference here next year Sept. 30-Oct. 1.

Zimmerman at Des Moines

Charles J. Zimmerman, managing director of Life Insurance Agency Management Assn., will address Des Moines



"THE BEST LAID PLANS..."

"The best laid plans of mice and men", as Robert Burns pointed out, "gang aft agley".

Shrewd men take into consideration the possibility that disabling illness may upset their "best laid plans". They know that somewhere in the future there may be a wheel chair or an invalid's bed that would bring their income-earning days to a sudden stop. To meet that emergency the Manufacturers Life offers Total Disability Income in conjunction with regular life and endowment plans.

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General Agents & Managers Assn. Oct. 27. He will also speak before Des Moines Assn. of Life Underwriters at a luncheon Oct. 28.

Pille Reveals Personal Ideas on Agency Operation

A number of purely personal conclusions on agency operation were revealed by Richard E. Pille, vice-president of agencies for Mutual Benefit Life, in an informal talk to Chicago General Agents & Managers Assn.

Mr. Pille emphasized good-naturedly that the observations were merely his own, and although not applicable in

every agency situation, were nevertheless worthy of some managerial thought.

The observations:

(1) Cancel the contract of a new agent who fails to sell in his first week with the agency.

(2) Most full-time agents reach their level of production within the first year in the business.

(3) Although former home office figures do a consistently good agency job, they rarely become agency leaders. Here Mr. Pille's good nature was shared by William C. Gentry, former associate director of agencies for New England Mutual, and now manager at Chicago.

(4) Considering agency turnover for 21 producers at $\frac{1}{2}$ yearly, the speaker

would hire seven newcomers a year to maintain the original balance.

(5) "I would rather have a good businessman-producer than merely a good salesman, especially in the larger cities," he declared. He said the newcomer with business acumen is better able to organize himself, and with both feet on the ground, is not given to the emotional peaks and valleys of the strict salesman.

(6) The managers were cautioned against "upgrading out of business" by violating the lives principle themselves. He added that, in order to continue, the agency must show a healthy spread of cases. The same advice could be applied to brokerage business.

(7) Young men are vital to the business; (8) Try hard to finance not more than 60% of agency producers; (9) Cancel an agent's contract if, after three months, his collateral doesn't balance his advance, and (10), Have fewer but better agency meetings.

Finally, each year a general agent or manager should take a course on some aspect of insurance or general business.

Henry Hunken of Connecticut Mutual Life, program chairman, introduced Mr. Pille, and Harvey O. Nelson of Equitable of Iowa, president of the Chicago managers, presided.

COMPANY MEN

Plogsterth to Open Consulting Service

W. T. Plogsterth, director of field services of Lincoln National Life, is forming a sales consulting service to do special work for life companies, chiefly in the fields of sales promotion, advertising and agents' training. He will have headquarters at Fort Wayne, Ind., and will leave Lincoln National some time before the end of the year.

Mr. Plogsterth has been with Lincoln National for thirty years; first as publicity manager, then as assistant superintendent of agencies, and for some time as director of field services. He has had over-all direction of sales promotion, advertising and agents' training activities.

For many years he has been active in insurance organizations, serving on the executive committee of Life Advertisers Assn. and on committees of L.I.A.M.A. He was one of the organizers of the Purdue insurance course.

New World Raises Olsen

New World Life has promoted Howard M. Olsen to assistant secretary to fill the vacancy left by the death of Edward Base, vice-president and assistant secretary.

Mr. Olsen has been with the company for 16 years, both in home office and field capacities. He is a navy veteran.

R. T. Hintze Heads New Unit

Roger T. Hintze, formerly assistant manager of the claim department, has been appointed manager of the newly-created income settlement department of Massachusetts Mutual Life. The department will handle income settlements of matured life and endowment policies and under retirement income and annuity contracts.

Mr. Hintze has been with the company for 23 years. From 1935 to 1947 he supervised the disbursement of installment claims, and in 1947 was appointed assistant manager of the department. He was one of the organ-

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QUALITY MUTUAL COMPANY

Best's Highest Rating
Over Half Century Old
Over \$350,000,000. Insurance
Over \$115,000,000. Assets
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Full Level Premium Plan
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QUALITY COMPENSATION

Generous for Underwriter
Unusual General Agency Plan
A Fine Retirement Plan
Very Well Vested

QUALITY TRAINING

Home Office Schools . . . for
New Life Underwriters
General Agents
Refresher Training Schools
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QUALITY TERRITORIES

Often possible . . . for
An Agency Minded Man
Who wants to build
A Compact Quality Agency
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★ STANDS

the W. P. Langhaug Agency of Chicago, Illinois, occupying first place with \$1,472,710.00 in paid for insurance for the first seven months of 1952. Under the progressive and experienced guidance of such outstanding General Agents and Field Supervisors, unlimited opportunities are afforded the Career Life Insurance Representative. Liberal first-year commissions, vested renewals, special incentives for quality and persistency of business, as well as an attractive retirement program are open to qualified, Lutheran applicants. Investigate the possibilities today!

*239,290 members insured for \$387,775,414.M. This is Your Life Insurance Society with a record of thirty-four years of successful operations.

This Is YOUR Life Insurance Society LUTHERAN BROTHERHOOD

LEGAL RESERVE LIFE INSURANCE FOR LUTHERANS

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ANICO representatives are Anico's best advertisements

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MOST VALUABLE ORDINARY REPRESENTATIVE IN 1951

Without previous insurance experience, in his two years with Anico Mr. Evatt won the highest title the Ordinary Department can bestow—Most Valuable Representative. To earn it, he has a perfect persistency on an exposure of \$532,314 of client coverage. Mr. Evatt has not had a single lapse in his entire insurance career! He uses the special Anico plans. He sells only on a need basis. He renders service first and sells second. Mr. Evatt exemplifies in the highest degree the type of man who is making Anico famous for service and policyholder satisfaction.



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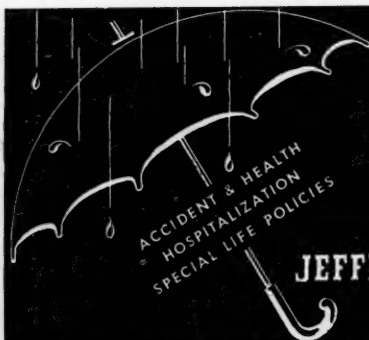
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- is just the "right" size—large enough to offer you room to develop, yet small enough to give you well-rounded experience in pensions and life insurance.

- has a tradition of developing new ideas.

Reply to N-58, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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Old Established Mid-Western Insurance Company with an enviable reputation for Agency and Policyholder service for 50 years has an opportunity for a man EXPERIENCED IN SELLING LIFE, HEALTH AND ACCIDENT AND HOSPITALIZATION INSURANCE. Must be an aggressive salesman able to manage own business and train others successfully. Top writing and renewal commissions plus monthly bonuses and sales aids to the right man. Give experience, age and number of counties desired in request for appointment.

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Excellent opportunity for young man with 3 or 4 years of experience in Actuarial work, and with satisfactory record of progress in Actuarial examinations. Medium sized mutual company with highest rating, located in Midwestern city. Write with full details of experience and salary expected. Inquiries will receive confidential treatment. Address N-52, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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SALES DIRECTOR LIFE, HEALTH & ACCIDENT AVAILABLE

More than 10 years agency experience, training, sales promotion, etc. Available immediately. For resume, write N-62, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

izers of the company's employee suggestion system, and served on the general committee during the centennial celebration in 1951.

Moore Resigns as Associate Actuary of Life of Virginia

Gene C. Moore, associate actuary for Life of Virginia, has resigned to join Bowles, Andrews & Towne, consulting actuaries at Richmond.

Mr. Moore entered the business with Equitable Society in 1942, and became supervisor of the group annuity bureau. In 1948 he joined Life of Virginia as assistant actuary. He was appointed associate actuary this year.

He is a fellow of the Society of Actuaries, and a graduate of Columbia University.



Gene C. Moore

Miss McCoy Has Retired

Miss Marjorie L. McCoy has retired as vice-president of National Life of Iowa. She has been with the company 33 years and was manager of its mortgage loan department.

Arley F. Hanson, assistant secretary since 1924, has been named vice-president to fill the vacancy. Floyd Lowe, Fred Bonk and Ray J. Hammill were named assistant secretaries.

D. H. Cottrell to Omaha Post

D. H. Cottrell, who has been assistant manager in Wyoming for Bankers Life & Casualty, has been appointed home office supervisor with headquarters at Omaha. He will look after western Nebraska.

Conclude Manager Seminar

Connecticut Mutual Life has concluded a five-day agency management training seminar at the home office. New methods in recruiting, selecting, and training were introduced, and business management and agency development were discussed. Raymond W. Simpkin, agency vice-president, was in charge.

District Managers Meet

Some 50 district managers of Interstate L. & A. have concluded a semi-annual meeting at Chattanooga.

Talks were given by H. C. E. Johnson, president; G. K. Henshall, vice-president and manager of agencies; J. R. Leal, vice-president and secretary; T. L. Montague, Jr., vice-president; C. H. Bader, vice-president and actuary, and George Evans of the legal department.

David F. S. Johnson, R. E. Rabun and E. H. Daniel, division managers, also spoke.

N. Y. Federation Expands

Insurance Federation of New York, is opening an office at 55 Liberty street, New York City in addition to its present office at Albany. The new office will be under E. Kenneth Lawrence, membership secretary, who joined the federation on September 1. Everett H. Hunt, secretary and counsel, continues to manage the Albany office.

Mr. Lawrence started with Marine Office of America, and later went with J. S. Frelinghysen Corp., insurance brokers. After engaging in war service he opened an agency at Amityville, N. Y. In 1948 he went with Connecticut General Life. More recently he was with F. J. Flynn Associates, insurance counselors.

This week marks the 1,404th consecutive week of production for Paul H. Primm, Washington, D. C., agent of Mutual Life.

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- Mortgage Protection (Yearly Reducing term)
- Income Disability (\$10 a month)
- Additional Protection (Term for clean-up)
- Accident & Sickness (Lifetime income)
- Double Indemnity
- Advance Premium Deposit Agreement

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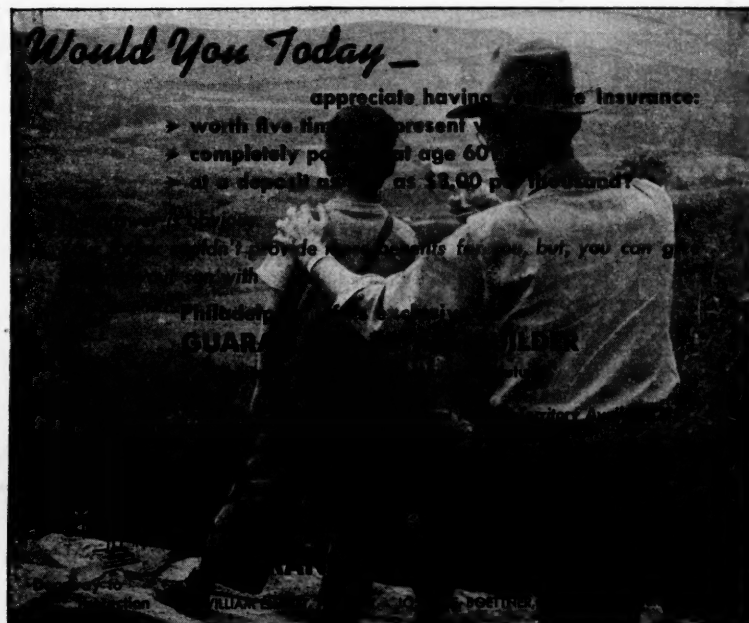
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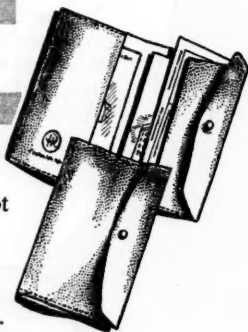
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NEWS ABOUT LIFE POLICIES

Pacific Mutual Adopts Small Company Group Plan

Pacific Mutual Life has adopted a group non-medical expense plan for companies of 10 to 49 employees.

The plan includes benefits for maternity, hospitalization, surgical and medical care, x-ray and laboratory examinations, ambulance service, polio care and additional accident expense.

Pacific Mutual is distributing a new life department rate book that is of pocket size and brings up to date several recent changes.

Along with introduction of the new manual, it was announced that the amount of single premium now acceptable is \$100,000, this being applicable to single premium endowments and annuity contracts, including policies already in force. Also, monthly A. & H. indemnity limits are increased to \$200 for risk classes "C" and "D."

miums paid on the policy will be returned in addition to payment of the initial face amount.

New Immediate Annuity Rates

Dominion Life has reduced immediate annuity rates, and will now write this type of business at the following rates for \$10 per month annuities:

Age Last Birthday	Installment	Cash Refund	Life with 25 Years Certain
M 50	\$2,472	\$2,518	\$2,470
F 50	2,266	2,321	2,360
M 60	2,050	2,116	2,183
F 60	1,828	1,906	2,065
M 70	1,602	1,697	2,004

FRATERNALS

Fidelity Life Association Votes for Mutualization

Delegates to the 25th convention of Fidelity Life Assn. at Milwaukee voted to convert the society to a mutual legal reserve company. The plan, if approved by the Illinois director of insurance, will become effective the first of next year. It was first approved by the board in August, 1951. In June of this year all policy owners received details of the plan.

The society has total assets of \$17,265,787. Life insurance in force totals \$64,522,492.

Milwaukee Group Elects

Milwaukee Fraternal Life Underwriters elected Mrs. Teresa Streff, Women's Catholic Order of Foresters, president; Paul Walters, Equitable Reserve Assn., vice-president, and Mrs. L. M. Sharen, Degree of Honor Protective, reelected secretary-treasurer.

Western Catholic Union will mark its 75th year at the quadrennial convention Oct. 19-20 at Quincy, Ill.

Stanley J. Winiarski, 52, president of the Polish Union of North America, died at his home in Chicago.

Farm Loans and Insurance

More than \$1 billion of mortgage money has been extended to American farmers in the past three years alone by life insurance companies, resulting in a net rise of more than \$500 million in such financing outstanding, according to the Institute of Life Insurance.

Companies currently are making new farm loans at a rate three times that of 10 years ago. Total farm mortgage outstanding at June 30 topped \$1.6 billion, covering 190,000 farms and averaging about \$8,500.

Set Cal. Tax Institute Dates

The annual institute on federal taxation, sponsored by the University of Southern California school of law, will be held Oct. 22-24 at Los Angeles.

There will be 27 speakers of outstanding reputation on a variety of subjects. The institute is designed as a forum where persons interested in federal taxation can hear lectures, participate in group discussions, and study the practical tax problems of the year.

MANAGEMENT CONSULTANTS

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Announces 1953 Dividends

Manufacturers Life will continue 1952 dividend scales payable in the U.S. during 1953, except in the case of premium paying policies issued at ages 56 and higher. For the latter, dividends on policies issued at age 56 are increased by 20 cents per thousand grading to \$3 for policies issued at ages 70 and higher.

Interest at the rate of 3% per annum will be paid in 1953 on dividends on deposit and policy proceeds left with the company in cases which provide for surplus interest, unless the guaranteed rate is higher.

Raise Non-Medical Limits

Manhattan Life has increased its non-medical limits as follows: age 0-35, \$10,000; age 36-40, \$7,500; age 41-45, \$5,000. The former limit was \$5,000 to age 40.

The new limits are in effect for policyholders insured more than two years to \$5,000.

Has New Juvenile Plan

Security Benefit Life of Kansas is introducing a new "junior security" plan based on an endowment at age 65 with the amount of insurance increasing from \$1,000 to \$5,000 per unit at age 21. In event of the death of the insured before attaining age 21, pre-

IN TUNE WITH THE TIMES

To thousands of members, Modern Woodmen of America stands as a symbol of integrity and service. Throughout its seventy-year history, Modern Woodmen has provided, in addition to modern life insurance protection, many "extra" benefits at no additional cost. All of these benefits have been "in tune with the times." Especially outstanding, in view of the rising polio incidence, is the Polio-Protection Plus. This gives Modern Woodmen Beneficial members immediate payment of \$250 if polio strikes; an additional payment of \$250 if the attack results in crippling after-effects or death. Modern Woodmen is pledged to keeping its services "in tune with tomorrow," abreast of its members' varied insurance needs.

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NEWS OF LIFE ASSOCIATIONS

Measures Successful Agent

The success of the life producer is measured more by how he acclimates himself with his territory, rather than by how hard he works, Frederic M. Peirce, associate director of company relations for L.I.A.M.A., declared at a meeting of the Chattanooga Assn. of Life Underwriters.

New officers installed were Edwin L. Connell, manager for Travelers, president; W. A. Alexander, general agent for Aetna Life, vice-president, and E. A. Sellers, manager for Jefferson Standard Life, secretary-treasurer.

Certificates were presented to eight members completing both parts of L.U.T.C., and eight others who completed part 1, received citations.

Plan Big Ill. Rally Nov. 7-8

Illinois Assn. of Life Underwriters, Illinois Round Table and the Peoria association will meet at the Pere Marquette Hotel, Peoria, Nov. 7-8. The first day's program will consist of the annual meeting of the Round Table, a conference for general agents and managers, and the mid-year meeting of the state association.

That evening, the Peoria and state associations will jointly sponsor a fellowship dinner, honoring David B. Fluegelman, Northwestern Mutual Life, New York City, new president of N.A.L.U.

The Peoria group will conduct its annual sale congress Saturday. E. R. Small, general agent of Lincoln National Life, is general chairman. Congress speakers will be honored at a breakfast luncheon by the Central Illinois C.L.U. chapter.

Minn. Drive on Part-Timers

Minnesota Assn. of Life Underwriters is formulating a legislative program aimed at eliminating the part-time agent in Minnesota's three largest cities—Minneapolis, St. Paul and Duluth. The program was approved at a meeting at St. Paul. Leonard Farouk of Des Moines spoke at the banquet.

Utica, N. Y.—Frederick G. Allnut, president of the association, was honored at a luncheon.

Newark—Benjamin N. Woodson, managing director of N.A.L.U., will discuss "Phrases that Sell," at the Oct. 16 meeting.

Salina, Kan. — Mrs. Minna Hensley, Franklin Life, gave highlights of the N.A.L.U. convention at Atlantic City. Ten new members were introduced.

Altoona, Pa. — C. Brainerd Metheny, general agent at Pittsburgh of Fidelity Mutual, spoke on "The Magic of Life Insurance."

Wichita—Ralph M. Nichols, manager of the life department of the Von Hamm-Young Co., Honolulu, formerly of Wichita, spoke at the September meeting and presented President John V. Coe a lei of pink carnations from the Hawaii

association. He talked on "Prospecting in Paradise."

Nashua, N. H.—Roger O. Deschenes, Metropolitan Life, has been elected president. Vice-president is John Scentsas, New York Life; secretary, William Dobbins, Massachusetts Mutual; national committeeman, Thomas L. Roy, Prudential.

William Horner, Concord, president of the state association, was the speaker. Past President Maurice Barrett installed the new officers, and N.Q.A. presentations were made by Mr. Horner.

Boston—A joint meeting was held with Boston C.L.U. chapter, at which C.L.U. designations were awarded.

Denver—Frank Mozley, Beneficial Life, Salt Lake City, will address a meeting Oct. 16, reviewing his 51 years in the business.

Los Angeles—Charles E. Cleeton, Occidental Life general agent at Los Angeles, past president of N.A.L.U., reviewed the National association's Atlantic City convention at a breakfast meeting.

New Orleans—Cyril M. Scully, general agent for Lincoln National Life, and Fisher E. Simmons, Jr., were honored as the outstanding New Orleans insurance men of the year.

Memphis—Lucille Tucker of New York Life discussed "Case That Confidence Built."

Buffalo—James J. McCann, Jr., Home Life of New York, New York City, will discuss "Selling the Man Who Is Going to Live" at a meeting Oct. 17. L.U.C.T. citations will be presented.

Mental Health Problems Up

Ralph C. Kuhli, Madison, director of the division of health education of the Wisconsin board of health, discussed "Mental Health Problems" at the October luncheon-meeting of A. & H. Underwriters of Milwaukee.

Callahan Madison Speaker

Thomas Callahan, Time, Milwaukee, vice-president of International association, spoke on "You Can Beat the Law of Averages," at the monthly luncheon of Madison (Wis.) A. & H. Assn. Charles B. Stumpf, Illinois Mutual Casualty, reported on plans for DISC on a state-wide basis. It would be a three-day course at University of Wisconsin.

T. H. H. Thoreson, Grand Forks, has been appointed assistant attorney general of North Dakota and assigned to the insurance department.



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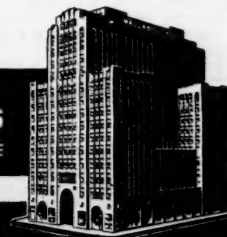
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EDITORIAL COMMENT

Disturbing Reaction to Purdue Study

It is disturbing to find a tendency on the part of some in the life insurance business to discount L.I.A.M.A.'s report showing that graduates of the Purdue course make a better showing than comparable agents not taking the course.

Such an attitude is disturbing not merely because it constitutes an unfair reflection on the professional integrity of L.I.A.M.A. people who made the survey but because it is evidence of an age-old but nevertheless discouraging tendency to believe what it is comforting and soothing to believe rather than findings which logic and objective evidence support, even though they may not square with one's previous beliefs.

L.I.A.M.A., of course, is not the first to run up against this all too human trait of fact-fighting. But it is particularly disappointing that there should be even a few who are trying to undermine the validity of L.I.A.M.A.'s findings on the Purdue course because the education and training of agents constitute a field in which there is a desperate need to substitute facts for opinions if the turnover rate among agents is ever going to be brought down from its present level.

Those who question the validity of the Purdue study appear to base their feelings on two main grounds: (1) L.I.A.M.A. gave the "breaks" to the Purdue graduates; (2) "Our company's training program gets better results than those shown for the Purdue course."

As for the first, only two explanations appear possible: doubts as to the professional integrity of the L.I.A.M.A. research personnel or failure to read and understand the report in its entirety.

It seems unthinkable that there are any in the business who would believe that Dr. Rains Wallace and his staff would bring out a report based on a rig-up designed to prove a desired conclusion. But if there are such accusers, we can only say to them that what they are saying is completely at variance with the reputation of the L.I.A.M.A. research staff in the professional world and with the forthright and often unpalatable nature of their other findings and reports. In fact, to doubt the integrity of men like Rains Wallace and his associates without better evidence than a layman's dissenting opinion on their findings is to display ignorance of the meaning of professional integrity in the field of research.

A feeling that L.I.A.M.A. gave the "breaks" to the Purdue graduates is hardly less excusable if based on fail-

ure to read and understand the report. The report clearly states that every effort was made to handicap—not favor—the Purdue men in the comparison. On the second page of the report it is stated that "in the interests of making the findings as clear-cut as possible, it was further agreed [with Director Hal Nutt of the Purdue course] that whenever a discrepancy in matching occurred the advantage would be given to a member of the comparison group. For instance, if a Purdue man made a rating of 'B' in the Aptitude Index, he could be matched to a Recruiting Analysis Survey man who rated 'B' or 'A'. He could not be matched to a man who rated 'C'."

On page 11, the report considers the possibility that the superiority of the Purdue men may be ascribed to factors other than their training and concludes that "the burden of contention would now appear to rest on those who wish to ascribe the differences here shown to factors independent of the Purdue course."

Hence, it would seem obvious that those who maintain that the showing of the Purdue graduates was spuriously high because L.I.A.M.A. did not correct for factors that would have altered the outcome must accept the responsibility for showing just what those factors were.

The attempt to discount the Purdue study on the ground that "our company's training program gets better results than those shown for the Purdue course" seems a monumental non-sequitur. The L.I.A.M.A. Purdue study was not designed to compare the Purdue course with any company's course. Nor did the findings purport to state that Purdue had a better training course than that of any company.

The study compared Purdue men with non-Purdue men, matching each pair as closely as practicable as respects factors known to have an influence on life insurance production. The Purdue men did better than the comparison group by a significant margin. Previous studies of Purdue men's production had indicated a correlation between taking the course and improved production. But not until L.I.A.M.A. brought out its findings could it be said with objective accuracy that men taking the course did better than comparable men not taking the course. That is substitution of fact for opinion, and it is something the life insurance business can well be proud of, for there is all too little of it in the entire business world.

But to go back for a moment to

those who feel their own company training course gets better results than Purdue's. Such a statement evidences laudable company loyalty but a deplorable ignorance of scientific research processes. Without having made a careful, controlled study comparing a group of the company's course-takers with a closely matched group of Purdue graduates—or the control group used in the L.I.A.M.A. study—those who rate their company's course above Purdue's are hardly in a position to say objectively that their course is better than Purdue's. They may believe or hope it is, and they may, in fact, be correct. But without real research studies to back them up, hopes and beliefs are not entitled to be rated on a par with facts.

Training of life insurance agents is not the only field in which facts need to be substituted for opinions. A recent study made by W. R. Mahler of the Psychological Corporation for the army attempted to find out how industry in general decides what training its employees need, how the various training methods and aids compare in effectiveness, and what the results of training have been.

After surveying 253 companies Mr. Mahler concluded that most companies don't know what training has accomplished, relying on someone's opinion rather than on research; most companies have no idea of what their train-

ing needs are—only one in 10 used any systematic research in finding out, and most companies have no idea of what training methods are most effective. Only one in 40 actually studied the relative merits of the training methods available.

This situation should make the life insurance business more interested in and prouder of the fact that L.I.A.M.A. is doing such research as exemplified by the Purdue study. Here, at least, is a systematic and scientific attempt to evaluate one form of training in the life insurance field.

The life insurance business quite properly prides itself on being in the forefront of cooperative industrial research. However, the benefit of such research will be seriously impaired if it is accepted only when it is liked and discounted whenever it is unpleasant or calls for more critical thinking and action. The Purdue study should make every company ask itself whether its training is as good as it can or should be. It should challenge the companies to take steps to find out. It will serve no purpose if it is met by self-justification and propaganda. The report indicates that "recruits are failing in our business today who could succeed if their training were adequate." It should be every company's responsibility to help find out—not to guess—how training can be made more effective.

PERSONAL SIDE OF THE BUSINESS

Departmental coworkers of **John E. Butterick**, former administrative assistant to Commissioner Navarre of Michigan, honored him at a farewell luncheon at which he was presented a gift. Mr. Butterick has become assistant to W. O. Hildebrand, secretary-manager of Michigan Assn. of Insurance Agents.

Raleigh civic clubs honored **Laurence F. Lee**, president of Occidental Life of North Carolina, at a testimonial luncheon. He was presented a scroll signed by the presidents of the 22 clubs participating in the luncheon in appreciation of "his outstanding and recognized ability, integrity, devotion to civic duty and consideration for his fellow men." Mr. Lee is now president of U.S. Chamber of Commerce.

Miss Mary Jane Cummings and William F. Schiefelbein, Jr., were married in a ceremony at St. Paul. Miss Cummings is the daughter of **Harold J. Cummings**, president of Minnesota Mutual Life.

A. C. Larson, Central Life of Iowa, Madison, Wis., observed his 77th birthday Oct. 1. He is still active in his office as a special agent for the company of which he was state manager from 1904 to 1939. He started in the business in 1904 at Janesville, Wis., and went to Madison when Central Life moved its office there. Mr. Larson was secretary of National Assn. of Life Underwriters in 1915, and is a past

president of the Madison association. **G. Carl White**, executive director of agencies for Prudential at Los Angeles, has completed 25 years with the company.

Hugh O. Maclellan, vice-president of Provident L. & A., has been appointed chairman of the special gifts committee of the Chattanooga Community Chest.

C. E. Lowry, chairman of National Equity Life, Little Rock, has returned from a two-month trip through Europe. **Seth A. Bardwell** is celebrating his 40th year as general agent for Lincoln National Life at Cleveland. Mr. Bardwell was the first agent appointed there by Lincoln National. His sister, Mrs. Ethel Olcott, Castalia, O., is marking her 20th year with the company.

Robert R. Reno, prominent Chicago life insurance man who is in the forefront in organization activities, particularly in the field of legislation, suffered a heart attack and is hospitalized. He is making a good recovery. He is chairman of the legislative committee of N.A.L.U.

Mr. Reno is in the Oak Park (Ill.) hospital.

Charles H. Yardley, vice-president of Penn Mutual Life, has been elected a director of the Controllers Institute. He served as its president in 1949-50.

J. A. Campbell, assistant general agent for London Life at London, Ont., was elected president of the London chamber of commerce.

Howard J. Burrage, President.

Louis H. Martin, Vice-Pres. & Secretary.
John Z. Herschede, Treasurer.

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Advertising Manager: Raymond J. O'Brien.

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DEATHS

W. T. Shepard Dies; Held High Lincoln National Positions

Walter T. Shepard, 79, who retired in 1945 as general agent of Lincoln National Life at Los Angeles, died at his



WALTER T. SHEPARD

home there after a lengthy illness.

Before taking over the southern California agency in 1933, Mr. Shepard was for many years vice-president and a director of the company. He joined Lincoln National in 1909 as an assistant superintendent of agencies and two years later was elected vice-president in charge of agencies and a director. Much of the company's progress often has been attributed to Mr. Shepard's ability to build and train a strong field force, and instill in them his vision of successful life insurance selling.

Mr. Shepard's original insurance experience was with Security Mutual Life of Binghamton, which he served as field superintendent at the time of going with Lincoln National. Mr. Shepard was very active in insurance association affairs. He was a founder and served on the executive committee of Life Insurance Sales Research Bureau, and also was a member of the executive committee of Life Agency Officers Assn., which two organizations combined to form L.I.A.M.A. After going to Los Angeles, he served as president of the

Life Insurance Managers Assn. there and also was chairman of the life insurance committee of the Los Angeles Chamber of Commerce.

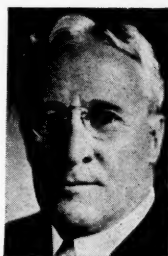
EDWARD H. OSGOOD, 71, president of Massachusetts Hospital Life, died at his home at Wenham, Mass. Mr. Osgood, before becoming president of the company in 1937, was New England manager for Reconstruction Finance Corp.

HENRY M. MERRIAM, former president and chairman of Franklin Life, died at Springfield, Ill. He had long been active in the banking field and was vice-president of Illinois National Bank of Springfield at the time of his death. He became a director of Franklin Life in 1901, was elected vice-president in 1914 and president in 1923. In 1939 he was succeeded as president by Charles E. Becker and became chairman at that time. He retired in 1944 and was succeeded in that post by Henry Abels. He was prominent in civic and church work at Springfield.

PHILIP J. ROSS, 77, former Manhattan Life general counsel for 29 years and company director for 38 years before his retirement last year, died at his home at Scarsdale, N. Y., following a long illness.

ARTHUR GRISWOLD, 38, with Liberty Life in an actuarial capacity, died at Greenville, S. C. He formerly was associate actuary for Farm Bureau Life.

LEIGHTON G. MCCARTHY, 82, former president and chairman of Can-



L. G. McCarthy

ada Life, died at his summer home on Georgian Bay, near Penetang, Ont. He had been in good health until the time of his death. An outstanding figure in legal, government and business circles in Canada for over half a century, Mr. McCarthy's many interests included a number of large U. S. corporations with affiliations in Canada. He became a director of Canada Life in 1910, was appointed general counsel in 1916, and eight years later, became vice-president and general counsel. He was elected president in 1928, holding that position for 10 years when he was elected chairman. He resigned this post in 1946, continuing, however, as a director. When the status of the Canadian legation at Washington was raised to that of an

A Man You Ought to Know



Don't send him away... take a few minutes to hear what he has to say. He may prove to be one of the best friends you and your family ever will have.

Yes... the friendly Southland Representative can show you the way to future family security. He can offer you a plan that guarantees a college education for your children... income for your family in case of your death... or income for your retirement and independence in your later years.

Hear what he has to say. Someday, both you and your family will be glad you spent those few minutes with the Southland Representative.

BUILDING GOODWILL for the LIFE UNDERWRITER

This is one of a series of advertisements designed to explain some of the benefits of Life Insurance, and create a greater appreciation for the important role the Life Underwriter plays in helping plan future security, income and happiness.



INSURANCE COMPANY

JOHN W. CARPENTER, President Home Office, DALLAS
"Serving Since 1908"

ASSETS OVER \$156,000,000
Insurance in force over \$725,000,000
Paid to Policyholders and Beneficiaries over \$100,000,000

LIFE • ACCIDENT • HEALTH • HOSPITALIZATION • GROUP

CENTRAL STANDARD LIFE INSURANCE COMPANY

Founded 1905

211 W. Wacker Drive

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All forms of Life • Accident & Health

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Chairman of the Board

E. H. HENNING
President

Use this key
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CAREER OPPORTUNITY



1. Immediate Contracts.
2. Substantial First Year Commissions.
3. Vested Renewals Unsurpassed.
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5. Attractive Retirement Plan.

Openings in Virginia, West Virginia, North Carolina, South Carolina, Tennessee and Alabama.

Write: **G. FRANK CLEMENT**, Vice President & Agency Manager

Shenandoah Life INSURANCE COMPANY, INC.

ROANOKE 10, VIRGINIA • PAUL C. BUFORD, PRESIDENT



Let me tell you about State Mutual's modern development in program selling, recently introduced to our career associates.

Our "Guide to Security" is a well designed programming procedure providing field tested approaches and visual presentation of basic needs to set the objectives, supplemented by direct mail letters and proposal forms to present a complete sales story. Two years in preparation, it features a new Programming Course covering its principles and application.

Naturally we are proud of the immediate impression "Guide to Security" makes on prospects, but we are doubly pleased by the reactions of our field associates—"Easy to Use!" "Loaded with sales power!"



STATE-MUTUAL-LIFE Assurance Company

OF WORCESTER, MASSACHUSETTS

embassy in 1943, Mr. McCarthy became his country's first ambassador.

W. J. McGETTIGAN, 63, vice-president of Security Life & Accident, died unexpectedly at Denver. He entered the business in 1922 as an agent at Denver for Western National Life. He was one of the organizers of the old Continental Mutual Ins. Co., which later was reinsured in the company now known as Security L. & A.



W. J. McGettigan

Mr. McGettigan delivered an address on substandard A. & H. at the 1952 H. & A. Conference annual meeting. He at one time was with Federal Life & Casualty.

OBSERVATIONS

Mutual Funds Tug at Leash

Anyone who thinks the mutual funds have been pretty high powered in their sales appeals "ain't seen nothin' yet" compared to what will be put forth if the mutual fund people succeed in their efforts to get the securities and exchange commission to relax its curbs on advertising and sales literature.

A. C. Allyn, Jr., of A. C. Allyn & Co., Chicago, got pretty hot about the restrictions in the course of his talk at the annual mutual fund conference in New York City. The industry is guided by the statement of policy issued by the SEC and administered by the open-end investment committee of the National Assn. of Securities Dealers. Mr. Allyn said that the business is being treated as if it were selling a dishonest product, whereas actually "mutual funds are a wonderful product but we can't tell the story."

Chance for a Gadgeteer

There's an opportunity for someone to render a small but appreciable service to the National Assn. of Life Underwriters before its next annual convention by devising or unearthing a gadget that will give the nominee's seconds a less disconcerting signal than their speaking time is over.

It is necessary that the total of seconding speeches per candidate be held to a specified length of time. The three-minute maximum for seconding the trustee nominations at the recent N.A.L.U. meeting in Atlantic City seemed eminently satisfactory, even though the final second was usually cut off in the middle of a sentence and had to finish a little abruptly.

Even a signal light that would flash five or 10 seconds before the deadline would be helpful in enabling the speaker to wind up in a small blaze of glory instead of stopping wherever he is at and saying something like "Vote for Joe Blow!"

Even better than a 10-second signal would be a dial showing just how many minutes and seconds of the total seconding-speech time remain. This would have the advantage of letting the final speaker coordinate his message with the amount of time remaining and would also serve as a reminder to his candidate's earlier seconds not to use too much of the candidate's total time in speaking their pieces.

Opens New Phoenix Agency

Aetna Life's first general agency in Arizona has been opened at Phoenix, with John C. Koppen as general agent. The new agency will serve all of Arizona.

Mr. Koppen a former president and treasurer of Arizona Assn. of Life Underwriters and a director of Arizona

Estate planning Council He is a graduate of University of Oregon and an air force veteran.

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10 S. La Salle St., Chicago 3, Illinois
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Harry S. Tressel, M.A.I.A.
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BOWLES, ANDREWS & TOWNE

Consulting Actuaries
Employee Benefit Plans

RICHMOND • ATLANTA

A.L.C. Hits "Big Government" Peril

Free Enterprise in Peril if Business Men Eschew Politics

Must Become Active, Says Wilde in A.L.C. Presidential Address

Both political parties in the United States sorely need business men to take an active part in political affairs, Frazar B. Wilde, president of the American Life Convention and of Connecticut



F. B. Wilde

General Life, told the annual meeting of the American Life Convention at Chicago in his president's address.

Mr. Wilde said business men in the last 25 years have not participated adequately in politics.

"They have left politics to others," he declared, "and others have done

them in. "Only a few of us in business have the temperament and willingness to run for public office, but every organization should be able to find among its members some who can and would do it, and we should strongly encourage such executives and junior executives to do so. All of us can do something, and it is a question of all and not just a few if we are to get results. We can serve on school boards, we can take more interest in town meetings, we can express ourselves in party caucuses. These are small things, perhaps, but they are a lot more than a good many of us have been doing, and they are vitally important.

Upheaval in Last 20 Years

"During the last 20 years there has been a revolution in this country. Wars and the threat of wars have partly obscured it. Up until the early '30s neither major party was an advocate of big government. The duty of government was to make the rules of the game, to amend them from time to time as conditions required, and to see that citizens lived up to them.

"The individual and the business unit were allowed maximum liberty. The laws simply denied license to injure others. In the competitive society as it then existed the individual relied upon himself. He could win or lose in a free profit and loss economy. He could make provision for catastrophe or old age or he could neglect it. If he was successful he could expect to retain and pass on to his family the major part of his material success. A business man, whether he was running a small store or a steel mill, had a minimum of rules and regulations to handicap his initiative and ingenuity. Consistent with his freedom the direct participation of government in business was at a minimum level, confined largely, as it had been for 100 years, to schools, roads, harbors, post offices, waterworks, canals and a few other specialized categories.

"Within one generation this whole scene has changed to an extent so astounding that it is proper to call it a revolution. Beginning in the early '30s we the people decided through our

(CONTINUED ON PAGE 27)

Presidential Symbol Shifts to the West



Frazar B. Wilde, president of Connecticut General Life, retiring president of the American Life Convention, passes the gavel to President T. A. Sick of Security Mutual Life of Nebraska, the incoming president who was elected this week at Chicago.

NAIC Head Warns of Further Rivalry from Government

Too much regulation of life insurance by government is certainly to be avoided but a much more serious aspect of the picture is government intervention in the sense of actual operation of the business, Commissioner Martin of Louisiana told the American Life Convention. Mr. Martin is president of the National Association of Insurance Commissioners.

"We can properly say," Mr. Martin said, "that in the life insurance field the companies have proved and can be expected to prove again in the future the ability to cope with all new developments in industry, in science and in economics, and to continue to prosper and grow in their own interest and that of the insurance public. And the insuring public can be expected to maintain its interest in acquiring life insurance from private companies."

Government Rivalry Only Cloud

"The only cloud that I can see over the life insurance horizon is the likelihood of further government intervention. State or federal supervision and regulation contemplates that that which is supervised or regulated is private enterprise, but state or federal intervention through operation of the business of insurance excludes the private company.

"We can't deny the fact that our gov-

New ALC President Started as Clerk in His Company

T. A. Sick, president of the Security Mutual Life of Nebraska, who was elected the president of the American Life Convention succeeding Frazar B. Wilde, president of Connecticut General Life, has been with the Security Mutual for 35 years. He joined it as a clerk at the home office in Lincoln. Serving successively as cashier, treasurer, and vice-president, he was elected a director in 1937 and president in 1943.

Mr. Sick is a member and trustee of the First Plymouth Congregational Church and a director of the Continental National Bank, both of Lincoln. He is a past president of the Junior and Senior Chambers of Commerce in Lincoln, of the Lincoln Community Chest, of the Insurance Federation of Nebraska and the Insurance Institute of Nebraska.

Mr. Sick is the second president of his company to head the A.L.C., the late W. A. Lindly having served in 1913. Security Mutual has been a member of the A.L.C. since it was organized in 1906.

ernment is now engaged in large scale activities which come within the definition of insurance or annuities. They're not called policyholders, but the number of fully insured workers under the social security act was more than 62 million in 1951. They're not called premiums, but these workers and their employers paid \$3.4 billion into the system in 1951. In other fields of insurance you find so-called 'state funds' operating another form of insurance exclusive of private business.

"It is not my objective here, and I shall not question the wisdom or merits

(CONTINUED ON PAGE 26)

T. A. Sick Elected President; Succeeds Frazar Wilde

Samford, Boissard, Bryan, Parker, Baker Go on Executive Committee

By ROBERT B. MITCHELL

Warnings of the encroachments of "big government" on business and the need for a more aggressive vigilance among business men were voiced in four major addresses at the annual meeting of the American Life Convention in Chicago this week.

The impact of the federal government on the life insurance business and the need for increased activity at the A.L.C. Washington office were stressed by A.L.C. Executive Vice-President Robert L. Hogg in his report.

The speakers treating the government encroachment threat were A.L.C. President Frazar B. Wilde, president of Connecticut General; Laurence F. Lee,

OFFICERS ELECTED

President—T. A. Sick, president Security Mutual Life of Nebraska.

Executive committee members—Frank P. Samford, president Liberty National Life; Richard Boissard, president National Guardian Life; Joseph M. Bryan, 1st vice-president Jefferson Standard Life; J. G. Parker, president of the Imperial Life of Canada; Burke Baker, president American General Life of Houston.

president of the U. S. Chamber of Commerce and of Occidental of North Carolina and Peninsular Life; Louis J. Taber, president of Farmers & Traders Life of Syracuse; and Commissioner Martin of Louisiana, president of the National Assn. of Insurance Commissioners.

General Session Wednesday

Following the meetings Tuesday of the Legal Section and Agency Section the first general session got under way Wednesday morning, with President Wilde presiding and giving his president's address.

There followed Mr. Hogg's report, and addresses by Commissioner Martin of Louisiana, president of the National Assn. of Insurance Commissioners, and Mr. Lee.

The business meeting took place Wednesday afternoon, with reports by Alfred N. Guertin, A.L.C. actuary; President Lee N. Parker of the American Service Bureau, H. M. Woollen, American United, chairman of the history committee; Claris Adams, president of Ohio State Life, who originally suggested the project.

Memorial resolutions were adopted on A.L.C. members who died since the last annual meeting.

That evening there occurred the cocktail party given by Manager Philip J. Weber of the Edgewater Beach hotel, where the meeting was held.

The combination companies dinner meeting, with Vice-president Orville E. Peal of Prudential as chairman, had as speakers Dr. S. Rains Wallace, director of research of L.I.A.M.A. and Dr. Brent

(CONTINUED ON PAGE 27)

Stress 213 Impact at Agency Meet



Happy group at A. L. C. gathering: Chester O. Fischer, vice-president of Massachusetts Mutual Life; Mrs. Fluegelman, and David B. Fluegelman, Northwestern Mutual, New York, president of N. A. L. U., and Mrs. S. J. Hay of Dallas.

Hays Gives 6-Point Program to Cut Agent Turnover

A six-point program to reduce the turnover of agents in America's life insurance business was proposed at the Agency Section meeting of the American Life Convention at Chicago by William Eugene Hays, general agent of New England Mutual at Boston.

Pointing out that the first-year survival of life insurance agents is 50% and the second-year survival is 33%, Mr. Hays declared that this was a preventable loss which can be overcome by an integrated program of life insurance management and its field forces.

In a series of questions addressed to the life executives at the meeting, Mr. Hays asked if these executives had established a written company policy which clearly defines the area of service which the company is best equipped to cover, the markets the company could hope to attract, and the facilities in the way of policy contracts, premium struc-

ture and field coverage it needs to compete in this market.

"With such a statement of company policy," Mr. Hays said, "has your agency vice-president drawn up a set of specifications as to number, qualifications and location of the manpower necessary to meet the objectives you have set? Has the agency vice-president then translated these requirements to each field manager in terms of what is specifically required of him?"

Mr. Hays' six suggestions to overcome agent turnover were these: Clean house of all marginal men; make an attractive career of field management; compensate field managers in relation to the number of successful producers in their agencies, not on the aggregate volume the agencies produce; establish an agents' training course which takes advantage of the newest techniques for development of selling skill; elevate the job of agents' trainer to the status it deserves, define his duties, unload from him the many extraneous secondary duties he is now performing, compensate him well; turn the public relations department loose on the assignment of dignifying the agent's job in the minds of his potential markets.

Sold on Institution

"It is no secret that the American public is much more sold on the institution of life insurance than on the service which the agent performs," he said. "Students of life insurance are satisfied that the agent is an indispensable element in its distribution. It is vital, therefore, that the various public

relations elements within our industry combine forces to explain the agent and dignify his purposes to the public.

"I have in my hand a full-page advertisement in a national magazine. It is titled 'Meet Mr. Pepsi-Cola.' The 'ad' describes the Pepsi-Cola dealer as a worthwhile citizen in his community. I wonder if we will agree that the service which life insurance performs is comparable to the community benefits derived from Pepsi-Cola. If so, we are remarkably modest in our claims for the qualifications of those men and women whom we entrust to represent our service to our policyholder public."

E. A. ROBERTS' VIEW

All at Home Office Should Be Sales Conscious

A plea that all home office "specialists" in life insurance be conscious of the problems and work of the life agent in the field was made at the annual meeting of the American Life Convention in Chicago by E. A. Roberts, president of Fidelity Mutual Life, at the Agency Section.

"Specialists do not quite resist all change," Mr. Roberts said, "but they would prefer to have suggestions for change originate in their own area. I am suggesting a heresy—too many life officers act as if they were the top caste in a system in which the agent is the untouchable. They don't give enough thought, or comfort, to the agent who in his numerical superiority and most ingenious work, has brought about the thrilling result we all admire in the American agency system."

Leaders Sales-Conscious

"In my associations with the heads of industrial, utility, transportation and other financial companies, I am constantly impressed with the sales consciousness of these leaders. They not only think their own companies are good, but they will fight like tigers for a lamp contract, any extension of their service, a thousand pounds of freight or a bank deposit."

"These men are in no sense apologists nor do they consider it the least bit indecent to assist their selling representatives. In this great business we have no reason for being apologists

Carter Named A.L.C. Agency Section Head

Succeeds W. R. Jenkins; E. A. Roberts, W. E. Hays, Hilbert Rust Make Talks

New York companies are properly the only parties who negotiate on the New York expense limitation law, but what is done in New York has an important effect on all companies whether they operate in New York or not, said W. R. Jenkins, vice-president Northwestern National, in his introductory remarks as Agency Section chairman.

Mr. Jenkins said the effect of the law

Perry T. Carter, vice-president of Travelers, was advanced from secretary to chairman. Announcement of the new secretary was deferred but will be released shortly.

was to set up a competitive pattern among the non-admitted companies. The fast growth of companies has been among companies not operating in New York. Changes in the New York law may have an important effect on this competitive pattern, he pointed out.

Savings are approaching the alltime high of the war years when there was little to buy and the government was exerting tremendous pressure on people to save for patriotic reasons.

The prosperity we are now enjoying is not of our making and we should not grow complacent, said Mr. Jenkins.

E. A. Roberts, president of Fidelity Mutual, declared that every person connected with a life insurance company should be sales-minded. His talk is reported elsewhere in this issue, as are those of the other speakers, W. Eugene Hays, general agent of New England Mutual at Boston, and Hilbert Rust, president of Insurance R. & R.

either. Teamwork in a home office, rather than the blind devotion of each man to his own department as a capsule apart from field activity, pays off in several ways.

"In my judgment there should be no room in a company for an officer or employee who is not mindful of the

(CONTINUED ON PAGE 22)



A. L. C. luminaries at Chicago convention: Frank P. Samford, president of Liberty National Life; Mrs. Samford, and Ray Burke, vice-president of North American Reinsurance; Lawson Ducies, divisional group manager New Orleans; W. B. Stannard,

and Howard J. Brace, vice-presidents of Occidental Life of Los Angeles; R. E. Irish, president of Union Mutual Life with Cecil Cross, vice-president of Lincoln National Life, and Mrs. Cross.

Federal Problems Demand Closer Attention: Hogg

While interest of the American Life Convention in matters at the state level is not to lose emphasis, federal interest does and will continue to occupy closer attention from a policy level, said Robert L. Hogg, executive vice-president and general counsel of A.L.C., in his report at the annual meeting in Chicago.

This need for closer attention to federal matters arises from two causes, he said. First, the A. L. C. interest in Washington is comparatively new and is in the formative stage, requiring closer attention at a policy level. Second, the number of problems appearing at the federal level, few of which have any foundation in the history of the A.L.C. organization, require a closer analysis in order to determine A.L.C. policy.

"In connection with the Washington staff activity, it is necessary to emphasize the difference between the factual reporting of information concerning federal matters and major policy study," he said. "Superficially, there may be some who feel that the best service to be performed from the Washington office is a legislative service with the appropriate publications, etc. Washington responsibilities are deeper than this in that close attention should be paid to the study and acquisition of knowledge of the ideas and philosophies of the federal government as they bear on the insurance business. This is an activity difficult to pinpoint but nonetheless important."

Mr. Hogg mentioned that social security has increased in stature. Benefits continue to rise. Agitation continues both as to type and amount of benefits. Both major parties seem to regard bigger social security as a real band-wagon. "Our business did not oppose the original social security program," he said. "In fact, the business helped to formulate the program. Probably no one, however, visioned its spectacular expansion. Starting out as a companion to workmen's compensation and restricted to the employee-employer relation, we see it today as covering the entire population."

Complements Private Insurance

"Social security has generally been regarded as complementing private insurance. At least at its inception we never regarded it as a competitor. To the contrary, like the 1917 war risk insurance act, we felt it stimulated the purchase of insurance. Now, and in the last few years, expansions and certain proposals for expansions, have caused great concern. Starting out as a program for old age retirement, it has ripened into a gigantic program of life insurance."

"We are concerned now about its competitive aspects, and that is a mild statement. But, more important still, we were startled about a year ago about social security happenings at the International level. The International Labor Organization, which meets at annual conferences at Geneva, from its inception has stimulated social security throughout the world. Our own program is founded to a certain extent upon the I. L. O. philosophy. It was quite significant, therefore, when the 1951 conference at Geneva went on record as favoring a convention or treaty outlining the so-called minimum standards for social security, and in measuring compliance, no country could take account of voluntary insurance unless it was subsidized to the extent of at least 25 per cent by government."

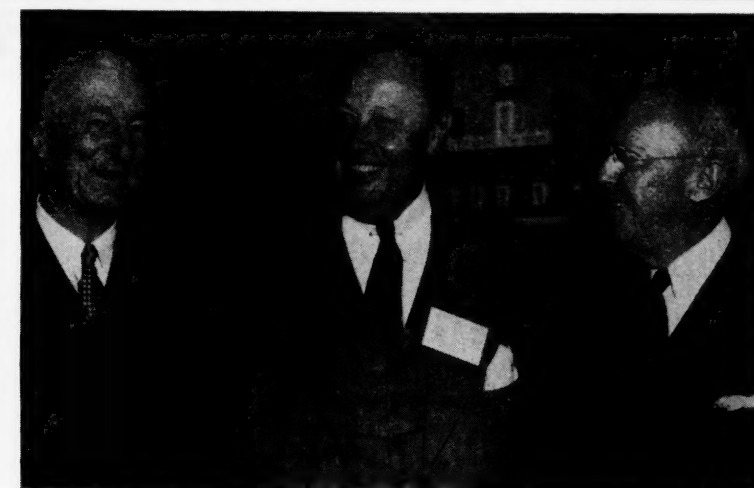
"This was certainly a declaration for

eventual socialization of our business. You are familiar with the reaction of our business. In order to get a full view of the situation, I visited the recent 1952 conference when the matter came up for final action. Although the government subsidy provision was eliminated, the 1951 draft was approved substantially without change. Even with the subsidized provision out, our concern persisted. The mere fact that an international group formalized such philosophy by including it in the original draft, is disconcerting. Incidentally, a copy of the report I made to our executive committee on the I. L. O. meeting is available upon request."

Tax Picture Significant


Mr. Hogg said the federal tax picture may potentially be of even greater significance than last year.

"This is an election year with the usual amount of pre-election marking of time," he observed. "Add to this the fact that substantially all of the tax laws under which we are now taxed expire in 1953. It is true that it is an easy matter to extend all these tax laws for



Powell B. McHaney, president of General American Life, flanked by two veteran A. L. C. past presidents at Chicago convention: Harry L. Seay, former president of Southland Life, and Herbert M. Woollen, who was president of American Central Life and is still a director of American United.

another year, but this may not be the case as to all of them. Both major parties now seem to agree as to the vice of the present excess profits tax, and wish at least to do something about it. Getting at it may naturally develop bigger things. "The company tax was extended for



THE HARVEST

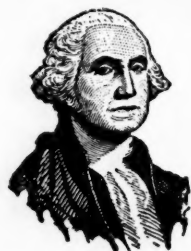
The corn is in the shock, the tobacco is in the barn, cotton pickers are in the fields, county fairs are in full swing, nights are crisp and days are growing short. It's harvest time.

This fruition of the labors of all the year reminds us again of Life Insurance and how it serves thoughtful people who plow under a part of each year's income as a safeguard against the uncertainties of the future.

The NATIONAL LIFE and ACCIDENT Insurance Company

INCORPORATED

Home Office: NASHVILLE, TENNESSEE



FITTING THE NEED

The needs of clients, and their ability to pay premiums, are the determining factors in recommending personal protection programs. The ability of our agents to offer just what is needed is based on the fact that we have an unusually varied line of personal protection contracts.

Washington National writes all modern forms of life insurance and accident and health, and in addition, a number of special coverages, among which are:

Non-can. hospital.

Non-can. disability paying full benefits regardless of house confinement.

Hospital policy (individual or family) paying 120 days for any one disability.

A-H policy paying 10 years for total disability, first year full benefits regardless of confinement.

Special Accident policy paying monthly income, and in addition, reimbursement for medical expense up to \$1,500.

Vision Impairment Annuity paying monthly income for life for 90% loss of vision. (Exclusive)

Non-medical apps. considered on adult males to age 35, up to \$7,500.

Full information will be given to qualified persons who are at liberty to inquire.

WASHINGTON NATIONAL INSURANCE COMPANY

EVANSTON, ILLINOIS

H. R. KENDALL, Chairman

R. J. WETTERLUND, President

G. P. KENDALL, Secretary

FIDELITY

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A well-balanced company is, we believe, a company

- ... whose financial position is strong
- ... whose geographical market embraces a balance of metropolitan, town and rural areas
- ... whose policy contracts include all fundamental coverages ...

It is a company

- ... whose contributions to its industry have been recognized as outstanding
- ... whose growth has been steady and uniform
- ... whose size is sufficiently large to assure confidence and prestige
- ... whose management, nevertheless, has never lost the common touch with agent and policyholder
- ... whose reputation as a friendly company has been consistently upheld

Fidelity is a well-balanced company

The FIDELITY MUTUAL LIFE INSURANCE COMPANY

THE PARKWAY AT FAIRMOUNT AVENUE
PHILADELPHIA • PENNSYLVANIA

another year to cover business for 1952. So in 1953 our tax status will again have to be considered.

For several years the companies have had a program for the correction of several tax inequities of equal importance to policyholders and companies. For example, the present income taxation of annuities is most unjust. Even the Treasury recognizes the validity of a change. Also, equities must be adjusted as between a trustee and non-trustee plan under section 165 of the internal revenue code. There is pressure to get rid of the so-called premium payment test for determining liability of insurance proceeds for estate taxes. The field forces are particularly aggressive as to this part of the program.

"In line with the policy of the business to take affirmative action in areas which only indirectly affect the business, we may have a new responsibility in the area of personal income taxes. If, however, the present government spending pace is not slowed, we will face the problem of defending our policyholders from a destructive personal income tax. A higher personal income tax would have a very definite effect upon the ability of people to provide for their future. Such an economic condition could not be long endured in this country. It would dry up sources of savings out of which all productive capital must eventually come. It is a possible threat we must be prepared to meet.

Reed-Keogh Proposal

"The present burdensome income taxes more than a year ago prompted a movement to give to professional, and other self-employed people, a tax saving incentive comparable to the treatment accorded employees under plans meeting the requirements of section 165, I.R.C. There is strong pressure behind such a movement, and of course it is of interest to the life insurance business in many ways. Our object is first to see that any such legislation does not reflect unfavorably upon existing plans underwritten by our companies, and second, whatever the vehicle for saving incentive may be, there should be no discrimination against our life insurance and annuity business. Aside from these aspects, the business takes no position as to the over-all merits of the proposal."

Mr. Hogg said the history of the A.L.C., now in preparation is practically completed and will soon be in the hands of the printer.

"Although a detailed history of the American Life Convention, it is a broad-gauge history of American life insurance written in light of the times," he said. "Not alone a history of the A.L.C., it also may be regarded as a history of the business itself, and the trade organizations within it."

Mr. Hogg said the popularity of regional meetings continues. Two were held this year, one in Little Rock, attended by 130 officers of some 60 member companies domiciled in 23 states; and one in Richmond, which drew just slightly under this number. Two, possibly three, such meetings are planned for 1953, with places yet to be selected.

Mr. Hogg mentioned that the Life Officers Investment Seminar at Beloit College reached an all-time high of 131 registrants from 92 companies.

Life Companies' '52 Income Tax Will Be \$138 Million

Up 10%, Says A. N. Guertin in Actuary's Report to A.L.C.

Life companies will pay an aggregate of \$138 million in federal income taxes under the current tax law on their business of 1952, Alfred N. Guertin, actuary of American Life Convention, said at the annual meeting of the A.L.C.

Speaking at the executive session, Mr. Guertin said this is an increase of \$13 million or about 10% over the amount paid by these companies on their 1951 operations. The total is in addition to some \$173 million expected to be paid to the states on business of the same year in premium and other state taxes, but exclusive of social security and real estate taxes.

The total tax bill incurred by the companies this year and payable next year, excluding real estate taxes, is expected to reach the unprecedented total of \$335 million. These taxes, Mr. Guertin pointed out, are reflected in dividends and other benefits to policyholders, and hence are direct factors in the cost of insurance to the American public.



A. N. Guertin

Found Truly Representative

That the A.L.C. is an organization truly representative of the life insurance business and life companies in the United States is demonstrated by the fact that its member companies have in force 98.3% of all the life insurance business transacted in the United States, said Mr. Guertin. By lines of business these ratios are 99.1% for ordinary policies, 91.6% for industrial policies and practically 100% for group life insurance.

In A. & H., member companies write 35.2% of the individual and 83.3% of the group insurance as measured by premiums written. Member companies, he said, also write practically all the individual and group annuities written by life companies. These companies hold 97.05% of all the assets of American life insurance companies, taking assets of Canadian companies to the extent of assets employed in the United States. They collect 96.85% of the premium income of all U. S. companies and U. S. branches of Canadian companies.



Lee Shield, counsel of A. L. C.; David H. Van Damm, vice-president, and Ellsworth Regenstein, president of Kentucky Home Mutual Life, and Lillian Wille, assistant treasurer of A. L. C. at Chicago convention.



Legal Section Holds Annual Meet

R. H. KASTNER REPORT

Alertness, Activity Vital in Warding Off Encroachment

In his review of legislation and litigation, Ralph H. Kastner, associate



R. H. Kastner

general counsel of the American Life Convention, told the Legal Section that he could not escape the thought that with each passing year "the review might easily become a preview of what could befall the life insurance business if we do not make good use of the double-edged sword of alertness and activity against any discernible encroachment on our rights of free enterprise."

"Although these reviews are slightly less than 'box-office' in listening attraction," he continued, "proper attention to the numerous bills and hundreds of cases appearing each year constitutes at least a partial aid to the germination of the seed that keeps our business perennially flowering. How much or how little we realize their import will bear directly on our business in the future to just that extent."

Mr. Kastner said that as is usually the case in an election year congress-

sional legislative aggressiveness is lacking. Legislative objectives, during such times are so tempered by political considerations as to be confined to matters which must be considered because of expiration dates or because political expediency precludes ignoring them.

This year, he said, there was little implementation of the so-called fair deal program legislative-wise, although behind-the-scene planning by socialistic thinkers continues until such time as impetus can again be given to their schemes under the guise of security or national defense, or any other smoke-screened method of accomplishing what would be impossible to sell on its own merits.

In reviewing federal legislation and proposals, Mr. Kastner described taxation matters of interest to life insurance companies, social security amendments passed during the past year, emergency controls, unemployment compensation, housing, servicemen's benefits, wages and hours legislation, farmer-debtor legislation, SEC amendments and the International Labor Organization.

State laws, proposed or enacted and important litigation were also described by Mr. Kastner.

Constant Availability Called Lawyer's Greatest Value on Mortgages

A report on the part played by home office counsel in his company's mortgage investment activities was made before the Legal Section of the American Life Convention by C. H. Bonnin, assistant general counsel of Metropolitan Life.

In a point-by-point review of some of the problems faced by counsel in acquiring and servicing mortgage investments, Mr. Bonnin declared that the counsel's greatest value to his company is perhaps his constant availability for consultation by the business representatives in resolving the day-to-day problems incident to the operation of a sound mortgage investment program.

"In this relationship as in all others," Mr. Bonnin said, "counsel must bear in mind that he is first and foremost a lawyer. Even in his intra-company relationships he must give the same kind of impartial, unbiased advice he would render if he were not an employee, for he remains under an obligation to observe always the high standards of his profession and to maintain its dignity and integrity."

"It is reasonable to assume that mortgages will continue to play an important role in the investment programs of our companies. As new and more varied methods of mortgage financing are developed, the part played by counsel will become of even greater importance."

State Officials Hob Nob

Insurance commissioners on deck for the A. L. C. gathering this week included Martin of Louisiana, who is president of N. A. I. C., and who came on from attending the zone 3 meeting at Mobile and the casualty conventions at White Sulphur Springs; Allyn of Connecticut; Laughlin of Nebraska; Day of Illinois; Sullivan of Kansas and Graves of Arkansas. There were also present numerous members of the staffs of insurance departments including Actuary John Powell of Illinois.

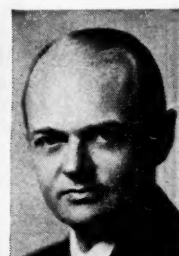
Bartels, Chairman; Policy, Agent Problems Discussed

Four Papers Presented: Kastner Gives Report on 1952 Legislation

Millard Bartels, vice-president and general counsel of Travelers, was advanced from secretary to chairman of



R. D. Taylor



Millard Bartels

the Legal Section of American Life Convention at the meeting this week at the Edgewater Beach hotel, Chicago. He succeeds R. D. Taylor, general

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Greetings

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CHICAGO

J. ROBERTS HANN
President

F. H. LANDECK
Vice President & Field Manager

counsel of Sun Life of Canada.

Announcement of Mr. Bartels' successor as secretary of the section was deferred, but will be released shortly.

Problems of the field man and policyholder were the subjects of three of the four formal papers: "Renewal Commissions of Deceased Agents," by James N. Ackerman, assistant general counsel of Bankers Life of Nebraska; "Spendthrift Trusts," by J. Lon Duckworth, general attorney of Life of Georgia; "Distribution After Disclaimer or Disqualification of Beneficiary," by W. Douglas Bell, counsel of Paul Revere Life.

The fourth paper was on the functions of home office counsel in dealing with the acquisition and servicing of mortgage investments and was by C. H. Bonnin, assistant general counsel of Metropolitan Life. Ralph H. Kastner, associate general counsel of A.L.C., gave his report on "Legislation and Litigation in 1952."

Luncheon speaker was John E. Mulder, director of the committee on continuing legal education of the American Law Institute, Philadelphia.

Tells How Law "Committee of 22" Can Aid Counsel

A program whereby the "Committee of 22" may be of service in the post-graduate training of life insurance counsel was described at the meeting of the Legal Section of the American Life Convention by John E. Mulder, Philadelphia, director of the American Law Institute's committee on continuing legal education.

Sponsored by the American Law Institute and the American Bar Assn., the "Committee of 22" is presently undertaking a series of "how-to-do-it" institutes in various communities. These are sponsored by state and local bar associations and other lawyer groups and are maintained at a basic level. Simultaneously, the committee has embarked on a program of producing concise, practical handbooks, on a variety of important subjects of the law. The handbooks are used as the bases of the seminars and to have day-to-day utility in a lawyer's library.

Life Insurance Programs

Of particular interest to lawyers specializing in life insurance programs is a new advanced-level training program being instituted by the committee, Mr. Mulder reported. These will make available training at a more advanced level and will be more comprehensive in scope.

The advanced-level training is for those lawyers desiring to probe with



California-Western States Life President O. J. Lacy, and Executive Vice-president R. E. Murphy, at A. L. C. gathering.

some degree of intensity more deeply into a particularly subject of field of law, Mr. Mulder said. It is for those who desire to become specialists or who are already specialists and will probably involve substantive as well as procedural law.

Urges Spendthrift Clause as Feature of All Policies

Life insurance companies might generally include a so-called "spendthrift" clause as a regular part of their policies or settlement options, it was suggested by J. Lon Duckworth, general attorney of Life of Georgia, in his talk at the American Life Convention Legal Section meeting. Such clauses are already provided by many companies. They prevent attachment of the proceeds of a life insurance policy because of debt and prevent the anticipation, transfer or assignment of these proceeds by the beneficiary.

"Although a spendthrift clause in a policy might be ineffective because it is questioned in a jurisdiction without an exemption statute," Mr. Duckworth



Frazer B. Wilde, president of Connecticut General Life, candidly photographed in elevator, at A. L. C. convention, of A. L. C., of which he is the outgoing president.

reported, "it appears to be advisable that the clause be provided either in the policy or in an option. If the spendthrift clause is desirable, it then appears that the insurance industry is under obligation to make it available in every instance. In this connection it should be pointed out that most agency material and training programs advocate the use of a spendthrift clause. If it is to be taught and advocated, and if it is desirable, it certainly should be made available, even though in some instances it might not be sustained.

Will Be Sustained

"A spendthrift clause will be sustained under provisions of the spendthrift statute. Likewise, an automatic exemption statute will be sustained by the courts. A spendthrift clause in an insurance policy may be sustained in the absence of any statutory provisions, and may be done either on the theory of its similarity to a trust, or purely as a binding contract limiting the estate of the beneficiary therein. A spendthrift clause is well recognized as sound public policy where it has been considered. It is reasonable to assume that other jurisdictions will, when the occasion arises, declare the public policy to be the same.

"Notwithstanding the general tendency favoring exemption statutes, uniformity is totally lacking in these in the various statutes. It would be well to consider a study of the needs in this respect with the view of proposing uniform legislation. As previously pointed out, the law in this respect is at great variance and certainly, in most instances, inadequate. There has been enough experience in this respect to serve as a guide in formulating uniform legislation. A great number of statutes need to be amended to effectuate the purpose intended, while in some states no statutes are in existence and

the need of same is apparent without question."

Commenting on Mr. Duckworth's paper, Orville F. Grahame, vice-president and general counsel of Paul Revere Life, said there are in the decisions few litigated cases involving settlement agreements. This is remarkable considering the amount of funds now being held by the companies. Funds not involving life contingencies, for all United States companies at the end of 1951 totaled \$4.4 billion.

This proof of the confidence of the public and the American family in life companies' integrity and judgment places a tremendous responsibility on them to see that they do not make a lot of foolish settlement agreements.

"We are apt to think of a spendthrift clause as being all 'good' in protecting funds from creditors, but it may prove in its restraint on commutation

and assignability, a bar to needed flexibility," said Mr. Grahame. "The New York court of appeals in the Nires case denied a guardian the right to advance to a destitute minor income under a settlement agreement which provided for the accumulation of income to age 21. There is a provision in the statutes for advances in the case of trust accumulations. This power to approve invasion of accumulations of interest under settlement agreements was extended by legislation to the New York supreme court in 1945."

As to Mr. Duckworth's view that the spendthrift clause would not offer much protection where the option is elected by the beneficiary unless the clause is included in the policy, Mr. Grahame said he doubted that the courts will be that severe on beneficiary elections, at least not under the laws of Massachusetts and New York, which do not specify that the agreement must be made with the policyholder.

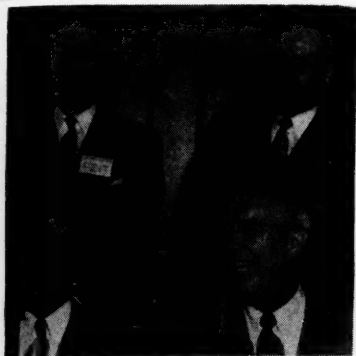
"There is logic for Mr. Duckworth's opinion because it has been generally held that spendthrift trusts for a person's own benefit are ineffective against creditors," he said. "But this raises a question of whether the so-called insurance spendthrift trust clause is really a spendthrift trust clause. Perhaps it could be more accurately described as a 'settlement agreement exemption.'"

"Furthermore, Professor Griswold points out that a person may create an interest for his own benefit which is beyond the reach of creditors, through the surrender value of life insurance, disability payments, and deposits made under an annuity contract, and he concludes that it is not unreasonable to permit a person to set up an orthodox spendthrift trust for himself if reasonably limited in amount. He asks if a person may live debt free on the bounty of others, why may he not live debt free on property he has accumulated by his own effort?"

With reference to Mr. Duckworth's



Howard Oden, president of North American Reassurance, at A. L. C. gathering, holding granddaughter, Deborah Werly, while daughter, Mrs. G. L. Werly of Chicago (left), and Mrs. Oden, look on approvingly.



Above: F. Edward Huston, vice-president and actuary, and R. E. Kiplinger, president of Guarantee Mutual Life, at A. L. C. meeting. Below: Leslie Cooper, associate actuary-tax counsel of Pacific Mutual, and S. J. Hay, president of Great National Life.

conclusion that the companies should consider uniform legislation, Mr. Grahame suggested that companies seriously consider encouraging the type of exemption that does not require any express agreement to that effect. In the much litigated case of Roth vs. Kaprowsky involving an election by the insured, two policies were held to be exempt from creditors and two policies in the same company were held not to be exempt, depending on the particular, and probably accidental, policy language. This division between commutation and assignability on the one hand and creditor exemption on the other, is now permitted by the Massachusetts and

Pennsylvania statutes but it is necessary to cover each of them by contract. With the creditor exemption established, the company can then on the commutation and assignability side allow more flexibility in the handling of proceeds by competent beneficiaries.

Mr. Grahame's comment was read by C. Clark Byron, A.L.C. attorney.

Jacob Wythe Walker, vice-president of Union Life of Little Rock, and Mrs. Walker announced the arrival of a son, who has been named Jacob Wythe Walker, Jr. The paternal grandparents are Elmo Walker, president of Union Life, and Mrs. Walker.

it takes four

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especially . . .



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All Those at Home Office Should Be Sales-Conscious

(CONTINUED FROM PAGE 16)

success of its selling representatives. After all, and very selfishly, these are the men, more than any other, who can produce more significant jobs for them. They are largely responsible for the jobs they hold."

In reviewing the history of life insurance in the United States, Mr. Roberts pointed to the development of the agency system as an essential part in its growth. In overcoming buyer resistance and in "confronting people with their selfishness," he declared, the agent has made life insurance the accepted form of protection that it is today. But although there is still buyer resistance, he said, there is not as much as formerly for a variety of reasons.

Lauds C.L.U., L.U.T.C.

"Today the agent is better educated," Mr. Roberts said. "This is due to such fine things as the C.L.U. movement and the L.U.T.C. training courses. In addition, many companies have training programs, most of them excellent ones. The trained, full-time agent is regarded as a worthy person today."

"I saw the reliance put upon him and the stature he gained in the sale of war bonds, in collecting money for the Red Cross and his community chest," Mr. Roberts continued. "The splendid advertising program of the Institute of Life Insurance and the advertising programs of individual companies, much of which is institutional in character, have also added to the agents' acceptance."

"The impact of federal and state, income, inheritance and estate taxes has been such as to point up the necessity for using life insurance, for which there is no substitute in the instant creation of estates or business capital. As a result, the well-trained agent deals on a par with the lawyer, the trust officer and the accountant."

Rust Lists Seven Major Challenges

There are at least seven major challenges to agency management which must be met if the institution of life insurance is to meet the economic and social demands it faces in the decade ahead, said Hilbert Rust, president of Insurance R. & R., at the agency section meeting of the American Life Convention in Chicago.



Executive Vice-president Roger Hull of Mutual Life keeping in touch during A. L. C. convention.

These are field agency head selection, individual agent selection, compensation, training, public relations, wise territorial expansion and the ability to meet competition.

The future type of field agency head must be, in many respects, a combination sales executive, accountant and attorney, said Mr. Rust. If such leadership is to be available when needed, then far-sighted vision now in selecting the men who are to head agencies in the 1960 and 1970 decades is needed.

Individual agent selection brings with it the need for a compensation system that will draw into and hold for life insurance an increasingly high type of individual. The result of a new type of agency management and field manpower selection technique will bring about a great increase in specialized training programs, he said.

Life insurance faces the task of multiplying the tempo of its public relations program if the people of our country are to use and appreciate life insurance to full measure, said Mr. Rust. This is also essential if the public is to be expected to cooperate in holding the line against the mounting tide of state and federal encroachment into the domain of private life insurance.

Swiftly changing population movements make it imperative for the life insurance industry to go much deeper into the task of evaluating territorial expansion plans. It must be aware fully of the great income and population changes taking place. The finest of agency plans will not bring top results if they are not put into execution in parts of the country most likely to have the greatest economic expansion.

Investment institutions, the giant investment trust fund industry, etc., are all sharpening their sales tools to get more of the savings dollars of our people, said Mr. Rust. It is the business of far-sighted agency management to provide its field forces with sound and practical competitive information to enable its representatives to present life insurance in a way to make sure that dollars which rightly belong to life insurance actually reach that institution.

Leeming Host in Absentia

The traditional cocktail party given by Tom Leeming of the Chicago law firm of Eckert, Peterson & Leeming was held following the A.L.C. Legal Section meeting at the Edgewater Beach hotel, though Mr. Leeming was ill and unable to be present.

Host duties were handled by Mrs. Leeming and Mr. Leeming's law partners, A. R. Peterson, Timothy G. Lowry, Owen Ball, Henry P. C. W. Barber, Walter W. Ross, Jr., and Richard V. Henry, Jr.

Women Socially Active

There were 147 women from the American Life Convention at the Kungsholm Restaurant luncheon and puppet opera at Chicago Wednesday, and there was an even larger turnout for the "brunch" and book review at the Edgewater Beach hotel, Thursday.

Arrangements Made for Publishing ALC History

Publication of the forthcoming history of the American Life Convention has been tentatively arranged with the Appleton-Century-Crafts Co., it was disclosed by H. M. Woollen, American United, chairman of the history committee, at the A.L.C. meeting in Chicago this week.

Projected title is "The American Life Convention—a Study in the History of Life Insurance."

There will be two volumes totaling more than 1,000 pages. It will retail at \$15 a set but will be \$6.50 to \$7 if an order of 5000 or more sets is guaranteed and an even lower price if the order is 7,500 or more.

Hamrick Heads Combination Group; Williams Secretary

W. J. Hamrick, agency vice-president of Gulf Life, was advanced from secretary to chairman of the Combination Companies Section of the A.L.C. at the meeting in Chicago, succeeding Orville E. Beal, vice-president of Prudential. W. J. Williams, vice-president of Western & Southern, becomes secretary.

At the dinner session, Dr. Rains Wallace, L.I.A.M.A. director of research, and Dr. Brent Baxter, Prudential's director of agency research, put on a skit showing in a humorous and effective way how communication of ideas upward and downward in the agency department and field becomes confused and ineffective without anyone's realizing it, to the consequent detriment of the agency operation.



J. V. Bloys of Life Insurance Assn. of America, and Ray Button, reinsurance vice-president of Republic National Life, at A. L. C. convention.

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Little complishe of normal people, the meetin Americ Conventio told by M Tegmeyer director of western Life. He out that medicine the baby day a prospect ing the l cades of hasn't dor has ahead

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Charles Franklin L arrived for

A. L. C. John F. Wa Great Amer Life; H. S.

LESS FIT SURVIVING

"Wonder Drugs" Call for More Caution in Underwriting

Little or nothing has so far been accomplished to improve the life spans

of normally healthy people, the annual meeting of the American Life Convention was told by Dr. G. F. Tegtmeier, medical director of Northwestern Mutual Life. He pointed out that although medicine has given the baby born today a very real prospect of reaching the latter decades of life, it hasn't done too well for the man who has already reached adult life.

"Three score and 10 years is a fairly good figure for the length of wear in the particularly good human machine," Dr. Tegtmeier said. "As with the automobile, the methods of repair have been tremendously improved but the wear and tear and the pounding of the road have not yet been overcome."

"Medicine through its control of infection and improved techniques, improved medication, can practically guarantee that a baby born today can reach adult life. Even if that baby born may have slight defects, such defects can often be corrected surgically, so even the imperfectly born have an opportunity to reach adulthood."

"All of these wonderful advances have been reflected in medical underwriting. Where infection is concerned, we can be liberal. Pneumonia is considered little more than an ordinary cold. The underweight—we were frightened because of the possibility of tuberculosis; x-ray

now enables us almost entirely to exclude it is an underwriting factor and we now welcome the thin man even as we frown upon the fat. Appendicitis—the mortality of an appendectomy is so negligible that we can probably disregard the question of recurrent attacks of appendicitis and the possibility of surgery."

"But the actual span of life has not been greatly increased. All of us, lay and professional, are tremendously impressed with the increase in cancer, the increase in cardiovascular disease. We don't know why we are growing old and until we know why and how, there is little any of us can do about controlling it. I think we should not be surprised with the increase in cardiovascular disease but rather should expect it in the later decades of life."

In conclusion, Dr. Tegtmeier declared that life insurance underwriters must proceed with caution, realizing the great improvements in medicine "are probably made on the impaired lives, and that because of this improvement we have with us in each group stock that perhaps is not of the best."



Dr. Tegtmeier

TABER ON U. S. ROLE:

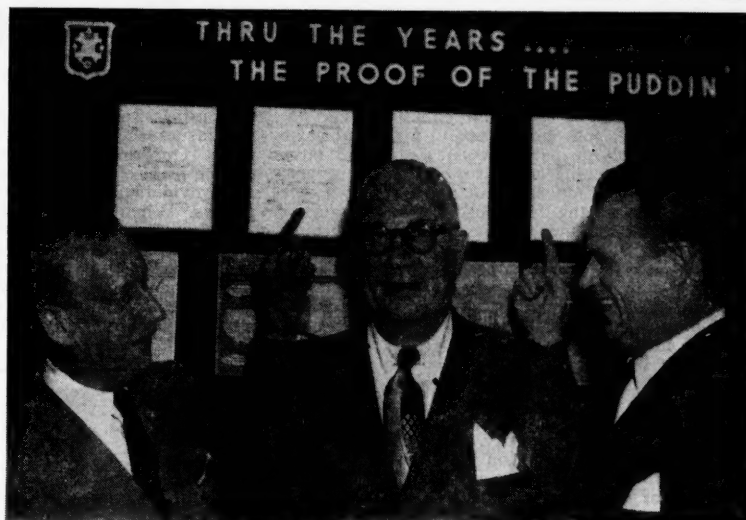
America Can Better Lead by Ideals Than Military Aid

The greatest contribution that America can make to the nations of the world is not money and not "guns and butter," Louis J. Taber, president of Farmers & Traders Life of Syracuse, declared at the American Life Convention meeting in Chicago. The under-privileged nations of the world will benefit more, he said, by the influence of a government following constitutional limits with sound industrial and commercial life.

Mr. Taber declared that a nation that recognizes human personality as the United States does can lift others by its ideals of justice better than with unlimited military and financial assistance.

Big business, organized labor and big government are all essential in a country like the United States, Mr. Taber said, but the bigness of all three poses problems in maintaining free enterprise and in keeping in balance the great forces of capital, management and labor.

"Big business is necessary for a big country," Mr. Taber said. "It is necessary for world responsibility and world leadership. It is necessary for efficiency and development, but big business in many cases is becoming too big for real efficiency and dangerous because of its ability to eliminate the small competitor and change community life. Organized labor is just as essential in this commercial age as organized agriculture or organized business. It has a necessary

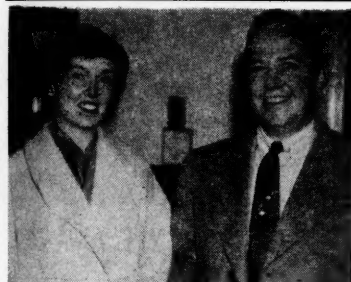


President Eldredge Henning of Central Standard Life, is being spoofed at A. L. C. meeting, by W. E. Bixby, president (left) and Henry H. Edmiston, vice-president of Kansas City Life at A. L. C. gathering.

and helpful place in modern society, but big labor has its greatest danger not in its membership but in leadership that sometimes becomes over-zealous for power. Nationwide collective bargaining

ignores local conditions of climate, labor supply and other factors, and can become a threat to free enterprise.

"Big government is essential in a republic with world leadership. How-



Charles Becker, Jr., vice-president of Franklin Life, and Mrs. Becker, as they arrived for A. L. C. week.



A. L. C. personalities: L. C. Baldwin, vice-president Security Life & Accident; John F. Walsh, vice-president Home Life of New York; Travis T. Wallace, president Great American Reserve Life; W. P. Worthington, executive vice-president Home Life; H. S. McConachie, vice-president American Mutual Life.



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ever, it brings the dangers of bureaucracy, the deadening hand of stagnation and the sinister forces of corruption. We must face the fact that by placing enough people on the payroll, by having enough contracts to give and enough favors to grant, and enough taxing machinery to crush opposition, a party can maintain itself in power. It can change a republic to the equivalent of a dictatorship simply by the device of building machinery so vast and granting enough favors to special groups, that a change in power becomes difficult. The answer to big government is bigger men and greater responsibilities at every level—state, municipal, school district, community and the home.

"All agree thus far, I hope, in the absolute necessity of free enterprise as the defender and foundation of the American way of life. Ability, inventive genius, managerial capacity, financial resources, vision, imagination must have their reward and must have full play if this land of ours reaches its true destiny and remains the country of liberty and opportunity for all.

"Free enterprise, however, like the republic itself, faces grave dangers, and like our nation, the real dangers are more from within than without. Corrosion of high ideals, decay of moral fibre, reliance and support upon the government, the desire to reap where we have not sown, speculation, inflation and the love of wealth undermine free institutions. Men and women will be moved forward by devotion to a common cause more than they will by the whip-lash of a dictator's will."

No business institution in America, Mr. Taber declared, has given greater service in defending the nation's way of life than has life insurance. Continued inflation, heavy tax burdens with increasing state and local taxation, plus the rising price spiral, have made it difficult for many people to follow the good old American custom of thrift, economy and savings, he declared; the opportunity for building an estate in the

form of life insurance is a blessing and a great constructive force to millions of people.

"The protective side of life insurance increases with the years," Mr. Taber said. "We find business, pension, group and partnership insurance taking a new and larger place. Our great calling is the 'pure insurance feature' of protecting loved ones and providing for retirement or advancing years. When there is such a strain on the family pocketbook, the moderate costs of estate and protection building, through our institution, have been a power in checking inflation, speculation and the costs of living. We have been a factor in promoting economic stability."



Claris Adams, president of Ohio State Life, and Mrs. Adams at ALC meeting.

ACKERMAN'S VIEW

Testamentary Trust Best Post-Mortem Commission Basis

A review of some of the ways in which life companies arrange payment of renewal commissions after an agent has died was delivered before the Legal Section of the American Life Convention at Chicago by James N. Ackerman, assistant general counsel Bankers Life of Nebraska.

Mr. Ackerman's paper stated in substance that the usual form of agent's contract provides for payment of renewal commissions after the death of a qualified agent (1) as they accrue and (2) to his estate. It has been suggested that if the contracts provided for payment (1) at a level rate over a somewhat longer period of time and (2) to beneficiaries named in the contract, considerable advantages would result to the agents.

Doubt Still Remains

An examination of this proposal from the standpoint of the legal effectiveness of such a provision indicates that it would be almost but not quite assured of enforceability by the courts. The doubt arises from the qualified acceptance of third-party beneficiary contracts in a very few jurisdictions and a last lingering reluctance on the part of a few courts to recognize that contract law and not property law, the statute of wills, should be applied to the contract.

The incidental problem of the taxability of renewal commissions under section 126 of the internal revenue code appears to be nearing satisfactory solution but remains doubtful. The practical difficulties in casting a contract provision which will be flexible enough to cover the varying situations of different agents, together with the uncertainties mentioned above, may lead careful lawyers representing both the company and the agent to prefer testamentary trust provision to the proposed contract provision.

Irredeemable Currency "Drug" Bringing Disastrous Results, Says Economist

"Our people, like those of other nations, have become thoroughgoing addicts to the intoxicating, but finally devastating, drug of irredeemable currency," said Dr. Walter E. Spahr, professor of economics at New York university and executive vice-president of the Economists' National Committee on Monetary Policy, in an address before the American Life Convention at Chicago.

"If the people of the United States would regain and retain ultimate control of their public purse, and hence of

their proper freedom, and if they would have the basic elements necessary to a healthy bloodstream in their national economy, then they must have a gold monetary standard with all substitute currency redeemable in gold," said Dr. Spahr.

Dr. Spahr pointed out that "although there has been much discussion of dishonesty in government and the need for reform, there seems to be a general unawareness of the fact that the most widespread dishonesty in this land, since it touches all our people, is in the issuance of irredeemable bills of credit."

"We have withdrawn from our monetary bloodstream the gold corpuscles which keep other money and credit corpuscles in order within limits, and we are experiencing the typical consequences," he said.

"We have provided our government with the most potent device known, other than the use of military force, by which it can get control of our people and subject them to its management and tyranny.

"We are utilizing a dishonest currency, and this dishonesty contaminates all our people.

"By the use of this currency our government has deprived our people of their direct and ultimately effective control over its use of their public purse.

"When our government confiscated our people's gold in 1933, it deprived



William Faltysek, publicity director of A. L. C. at the Chicago meeting.

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SPENCER R. KEARE
Executive Vice-President



Far westerners in A. L. C. huddle: V. L. Tickner, president of Great Eastern Mutual of Denver, and A. S. Cartwright, vice-president of Security State Life of Boise.

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them of a valuable property right and protective device.

"Our system of irredeemable currency has impaired people's savings to an extent poorly understood.

"It is accompanied by a government bureaucracy which improperly restricts private enterprise domestically and in foreign trade and exchange.

"It involves discrimination in favor of foreign central banks and governments and against our own people.

"Under this system, the purchasing power of our dollar has fallen to the lowest level on record since the establishment of the federal reserve system in 1914."

As correctives, Dr. Spahr recommended "(1) that all our currency be made redeemable in gold at the present statutory rate of \$35 per fine ounce; (2) that proper principles be devised for reducing and prohibiting the conversion of government debt into currency; and (3) that the federal reserve system should be made and kept independent of the executive branch of the government and of the fiscal and debt management policies of Congress and the United States Treasury."

BELL CITES CONTINGENCIES

Policy Should State Who Gets Money in Event of Disclaimer

The problem as to "who gets the money" when a beneficiary of a life insurance policy is disqualified from receiving the insurance proceeds or refuses to receive them was reviewed before the Legal Section of the American Life Convention at Chicago by W. Douglas Bell, assistant counsel of Paul Revere Life.

It would seem highly desirable, Mr. Bell declared, to insert a provision in the contract or in the settlement agreement stating specifically how the proceeds should be paid in the event the principal beneficiary refuses to take, or is barred from taking them on any other grounds. That the courts would follow such a contract provision, he stated, seems certain.

"There would, of course," Mr. Bell

A.L.C. Sets 1953 Date

The 1953 meeting of American Life convention will be held the week of Oct. 5 at the Edgewater Beach hotel, Chicago.

said, "be practical difficulties in drafting such language, particularly to cover the disqualification situation. A happily married insured would undoubtedly object to and be offended by any contract language indicating the possibility of his beloved spouse murdering him. This objection may be of sufficient weight to lead a company to take its chances on working out the payment through releases or interpleader action rather than to include language in its contract to cover the situation.

"However, in cases where the estate planning indicates the possibility of a disclaimer, it would seem that covering language should be made a part of the contract. All that seems necessary is a provision stating that the proceeds are to be paid in a specific manner in the event the named beneficiary refuses to accept. Such a provision may save a great deal of difficulty at claim time."

B.M.A. Again Host at Traditional Breakfast

Business Men's Assurance was host at its traditional breakfast during the A.L.C. meeting in Chicago with Chairman W. T. Grant introducing head table dignitaries and some others. David B. Flugelman, Northwestern Mutual, New York City, the new president of National Assn. of Life Underwriters, was the speaker, it being the custom to hear from the incoming N.A.L.U. chief at these breakfasts.



Seth C. H. Taylor, superintendent of agents of Sun Life of Canada (288), getting legal tips at A. L. C. convention from F. P. McGuire, associate counsel of Connecticut General Life.

Republic National Life officers at A. L. C. convention: John Bryant, associate counsel; A. P. Dowlen, assistant vice-president; T. P. Beasley, president, and Joseph W. Bruce, assistant vice-president, reinsurance.



Assisting Mr. Grant as host were vice-president, and George L. Gordon, J. C. Higdon, president; Grant Torrance, general counsel.

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E. K. Druart	John J. O'Malley	C. A. Hern
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W. F. Poorman, president of Central Life of Iowa, and John A. Hibbard, president of Old American Life of Iowa, in a huddle at A. L. C. meeting.



Leo Cavanaugh, president of Federal Life, and Mrs. James Daggett, wife of president of Old Line Life, at A. L. C. meeting.

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Assets Over \$47,000,000 • Insurance In Force \$215,000,000

Don't Eschew Politics: Wilde

(CONTINUED FROM PAGE 15)

lected representatives that government would be an active and not a passive force in our lives. From that point on the government undertook to dominate and regulate the economy. Law after law was passed, regulation followed regulation, until there was built up a huge body of legislation designed to direct, to stabilize and to control.

"This legislation reflects the political and social philosophy of the period as interpreted by the party in power. The administration sought, for example, to make production respond to the artificial stimuli of bonuses and penalties and not rely solely on the laws of supply and demand. Hiring, firing, wages, hours, prices, profits—these and dozens of other matters formerly left largely to managerial discretion were made subject to government restriction. Through social security laws large segments of the population were tied in with so-called insurance plans calculated to stabilize the economy and to mitigate human suffering."

ENCROACHMENT

In addition, said Mr. Wilde, the government undertook to participate directly and in ever increasing degree in business enterprises, its activities in insurance, housing, and electric power field, for example, having now reached enormous magnitude. When government gets that big it takes a lot of machinery to run it, he said, so today there is a maze of bureaus, agencies, offices, boards and commissions which in aggregate wield a power over lives and business that defies appraisal.

"What we will have to do more of relates to participation in political affairs," Mr. Wilde declared. "It does not content itself with just registering and voting, important as those functions most certainly are. To say that this democracy of ours, because of the social revolution and of war, is faced with numerous and serious problems is a gross understatement. The problem of national defense, even if it were our only concern, would be enormous. National defense includes economic and military aid to our friends abroad, and the whole matter is tied in with the problem of maintaining a solvent, productive, high-employment economy. The

task is challenging and the difficulties are great.

"We cannot avoid the challenge and we must surmount the difficulties—and we must do it without further inflation. It is obvious that we cannot do it merely by turning back the clock, and most of us would not want to turn it back, anyway. We can lament the fact that the vast program of big government which I have described was undertaken without the help and without the advice and without the consent of business men and women whose experience and whose judgment could have been of immense value, but nevertheless, that program exists. It is here, and in my opinion it is here to stay, regardless of the party in power. If I am right, it follows that the men and women of this audience have a special responsibility to participate in the affairs of the government.

"There is no group whose business brings them a broader perspective than our business gives the insurance executive. It is not important whether his company is operating in one state or many states. In terms of insurance problems, in terms of investment problems, in terms of government participation in business, his exposure is broad. And his policyholders and his investments, his whole business career and that of his company are affected directly and indirectly by what government does or does not do. If it is our purpose and desire to maintain a private insurance business in this country, we cannot do it by strictly minding our own business in the narrow sense and operating it without reference to the environment in which it will have to live. If we do not allocate a large amount of time, thought and energy to participation in public affairs, then there is every likelihood that either we or our successors will have very little private business to administer; and it may be later than you think."

FEDERAL INCOME TAX

Mr. Wilde said that among the various problems facing the A. L. C. one of the most important is federal income tax legislation.

"The renewal of the previous year's formula was a decision for realism," he said. "It was a real tribute to Claris Adams and his committee and to the joint staff work of the A.L.C. and the L.I.A. While this is not the appropriate time to discuss a tax law, it may be proper to say in passing that it is my considered judgment and that of many others in our business that attempting to find a new tax formula for the life insurance business is like looking for Utopia. For more than 30 years the industry has looked for the ideal solution and failed to find it. There is no such thing as a perfect tax formula. No tax law can be strictly equitable to everybody. Justice in these matters can only be a rough approximation.

"The law we have now at least is understandable and the tax calculation it requires is relatively simple. It is true that its impact is heavy, especially in view of the severe tax burden already imposed upon us by the states. The very fact, however, that this law produces a large amount of revenue in bad times as well as good and an amount which will increase each year as our assets increase gives us and our policyholders a powerful defensive position against any charge that the life insurance business is not doing its full share in supporting the federal government. What we need now is to marshal our strength and hold the line against increasing expenditures, both federal and state. Increased expenditures call for increased taxes, and we should never be led astray from the fact by the will-o'-the-wisp of the ideal tax law."

The A.C.L., said Mr. Wilde, should be proud of its work in pioneering the

idea of a Washington office.

"One of the cheering developments of the year was the addition of Robert Crichton to the staff of that office," he said. "While there is no intention on the part of the executive committee to unduly expand the Washington office, there can be little question that we must maintain in that location an adequate staff, both in capacity and in numbers. Under Bob Hogg's leadership we meet that test at the present time."

Discussing the proposed revision of the New York expense limitation law, Mr. Wilde said the task is a most difficult one because basically the law attempts to regulate a large and dynamic business in too much detail.

"The situation is further complicated because certain emotional and traditional elements are present," he said. "If the New York law remains inflexible, we are liable to face the same situation as the railroads. Railroad management has been gravely handicapped by over-regulation. This certainly is not in the public interest. The committees which have been set up under George L. Harrison's leadership to undertake a successful revision of section 213 are entitled to and will require your most wholehearted and broadminded support."

Mr. Wilde said the total cost of membership in A. L. C. and in other organizations to which many companies belong is a substantial sum in dollars, but study of the situation indicates that as a percentage of the companies' overhead and investment expenses total trade association dues have not risen at an alarming rate.

"In the case of our own company,

which may be typical or average, the percentage for 1951 is .29%, as against .22% in 1941—and, of course, if total disbursements were considered, these ratios would be much lower," he said. "If this balance can be preserved, we shall have reason to be thankful."

Sick Elected as A.L.C. President

(CONTINUED FROM PAGE 15)

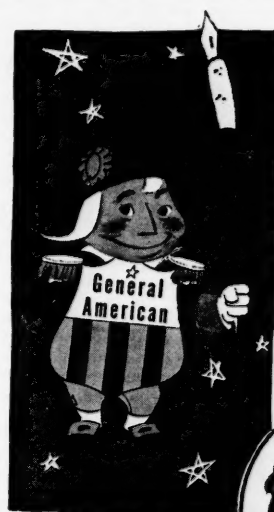
Baxter, Prudential's director of agency research.

The general session Thursday morning had as speakers President L. J. Taber of Farmers & Traders; Max Freedman of the Winnipeg Free Press; and Dr. Gamber F. Tegtmeier, medical director of Northwestern Mutual Life.

In the afternoon there were talks by Allen B. Kline, president of American Farm Bureau Federation, on "Platform for America"; President Charles A. Thomas of Monsanto Chemical Co., on "A definition of the Chemical Industry"; and Dr. Walter E. Spahr, professor of economics at New York University and executive vice-president of the Economists National Committee on Monetary Policy, New York City, on "Why the People of the United States Need a Gold Standard."

The annual dinner dance took place Thursday evening. There was a fine program of entertainment.

The meeting concludes Friday with the morning session and luncheon of the Financial Section.



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STATEMENT OF THE OWNERSHIP, MANAGEMENT, AND CIRCULATION REQUIRED BY THE ACTS OF CONGRESS OF AUGUST 24, 1912, AS AMENDED BY THE ACTS OF MARCH 3, 1933, AND JULY 2, 1946

(Title 39, United States Code, Section 233) of The National Underwriter Life Insurance Edition, published weekly at Chicago, Ill., for Oct. 1, 1952.

1. The names and address of the publisher, editor, managing editor, and business managers are:
Publisher, The National Underwriter Co., Chicago, Ill.
Editor, None.
Managing Editor, R. B. Mitchell, Ridgewood, N. J.
Business Manager, R. J. O'Brien, Chicago, Ill.

2. The owner is: (If owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding 1 percent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a partnership or other unincorporated firm, its name and address, as well as that of each individual member, must be given.)
The National Underwriter Co., Chicago, New York, Cincinnati, John Z. Herschede and Elizabeth W. Herschede, Trustees, Cincinnati, Ohio; Levering Cartwright, Trustee for C. M. Cartwright and Kathryn Cartwright, Evanston, Ill.; H. J. Burridge, Cincinnati, Ohio; Levering Cartwright, Evanston, Ill.; Russell Cartwright, Evanston, Ill.; Ruth Cartwright, Evanston, Ill.; Leslie K. Wadsworth, Chicago, Ill.; R. E. Richman, Upper Montclair, N. J.; George W. Wadsworth, Chicago, Ill.; How & Co., Chicago, Ill.

3. The known bondholders, mortgagees, and other security holders owning or holding 1 percent or more of total amount of bonds, mortgages or other securities are: (If there are none, so state.) None.

4. Paragraphs 2 and 3 include, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting; also the statements in the two paragraphs show the affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner. The average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the 12 months preceding the date shown above was: (This information is required from daily, weekly, semiweekly, and triweekly newspapers only.) 7,580.

5. I, R. J. O'Brien, sworn to and subscribed before me this 30th day of September, 1952.

H. E. LISTUG.

(Not) My commission expires Aug. 18, 1954.

DESCRIBES NATIONAL HEALTH PLANS

(CONTINUED FROM PAGE 1)

uable partial insurance to many people. But to meet the national need, it would have to make herculean efforts, undergo drastic changes (involving readiness to change and widespread support of the changes from professional groups, employers, the public, and their governments), obtain over \$7 billion of additional premiums, and reduce net insurance costs while undertaking increasingly difficult insurance functions.

"The proper test of voluntary insurance is not its good intentions, its high sponsorship, nor its enrollment. The proper test is its achievement in providing comprehensive insurance protection, supporting needed resources for health care, and assuring ready access to medical services for the people who need it. By this test it is inadequate.

"Compulsory Has the Potential"

"Compulsory insurance has the potential for that wider financing of medical and related health services which the nation needs.

"Our recommendations for health insurance propose a national system with decentralized administration through the states. We would build on the framework of our national system of OASI, which now covers about 45-50 million jobs or 75-80% of all in the civilian labor force. With the same coverage, plus dependents, and the readily added railroad and federal employees and their dependents, the system would apply to about 85% of the population. Those receiving income benefits would have paid-up insurance for the medical benefits. The system could readily expand further, and large noncovered groups could be made eligible for medical benefits through equitable payments on their behalf to the insurance fund.

"Within a pattern for comprehensive insurance, the initial benefits could be limited to one, two or three kinds of services, with others to be added later in successive steps; or they could be as broad as resources permit and become more comprehensive as resources expand. We have thought the latter is the preferable choice. On this basis, the benefits would include the services of physicians and dentists—both general practitioners and specialists, general and special hospital care, the services of secondary practitioners, home nursing care, laboratory and related services, and prescribed appliances and medicines that are unusually expensive. Initial limitations on benefits, compelled by shortages of personnel or physical facilities, would be reduced or withdrawn as rapidly as practical.

Called Stimulating

"All qualified practitioners and facilities would be eligible to participate, so that the benefits could be as comprehensive as the resources of the whole country permit. Assured payments for services would stimulate the expansion of needed resources.

"There would be special provisions to deal with shortages of personnel and facilities in rural and other areas, and such special measures would be available even before the program comes into operation. There would also be annual grants from the insurance fund to educational institutions and maintenance grants to students, and similar support for basic and applied research. All of these would be financed by the insurance funds, not—as in some recent legislative proposals—by general tax revenues.

"Our recommendations include many explicit guarantees and protections to insured persons, practitioners, hospitals, and other participants. These include, for example: The right of all qualified practitioners, hospitals and other facilities to participate and be paid for services to insured persons; the similar right to participate for organized service groups and organizations that operate voluntary health service plans or health service insurance plans; free choice of doctor, hospital, etc., by the insured per-

sons; freedom of doctor, dentist or nurse to practice where he chooses; no intrusion into the management of hospitals; payment to practitioners by the methods of their choice, and at rates sufficient to yield adequate annual incomes; full-cost reimbursement to hospitals; and preservation of the confidentiality of personal records.

"The national aspects of administration would be lodged in a national board and an advisory council located within the federal security agency. These bodies would be concerned primarily with policy and allocation of funds to the states. Record-keeping, eligibility determination, and related operations would be performed by the bureau of old-age and survivors insurance. Arrangements for benefits and their payment would be performed by state agencies (preferably the state health agencies); they would make the surveys of resources and needs, appoint staff, establish local health service areas, allocate funds to areas and services, make payments, etc.

Local Administration

"At the local levels, administration would be in the hands of local administrative committees or officers assisted by local advisory committees, and both would be assisted by local professional advisory committees.

"The national board would administer benefits only when a state did not agree to undertake the responsibility or could not carry out its agreement. This would be a federal guarantee to the insured persons that they would receive a return in benefits for contributions paid to a federal insurance fund.

"How much would the recommended program cost and how would it be financed?

Cost 2% of National Income

"Starting from present expenditures for medical care, our cost estimates allow for two kinds of increases—(1) for more, better, and more comprehensive services immediately and in the early years of insurance, and (2) for more and better services later, as resources are increased. As a result, the annual estimate for an initial year aggregates about 33% higher than current expenditures for the same kinds of services; a decade or so later, it is about 80% higher than those current expenditures. These figures allow for continuation of recent trends with and without insurance. They could prove to be excessive, especially if the more effective development of preventive, diagnostic and therapeutic services reduced reliance on expensive hospitalization.

"We have estimated that, in each of the first years, the recommended program would require about 2% of national income; 10 or 15 years later, when the supply of practitioners, hospitals, and other resources and the effective demand for services have increased, it would take nearly 3%. We have proposed that it be financed mainly by social insurance contributions. With the present OASI "ceiling" of \$3,600, the estimates are equivalent to about 3.5% of covered earnings for the early years and to about 4.7% later. With a "ceiling" of \$6,000—more appropriate to present-day earnings levels—the costs are equivalent to about 3.1% at first and about 4.4% later. Dollar figures would vary with changes in coverage, prices, and earnings levels. Barring large or catastrophic changes in the economy, the percentage figures related to national income or to current earnings would be relatively stable.

"The insurance expenditures would in the main be substitutes for private expenditures. They would also relieve government (at all levels) of many present tax outlays supported from general revenues. We have therefore proposed that the program be financed primarily from insurance contributions of 3% of

covered earnings, supplemented by flexible but limited grants from general revenues—limited to amounts equal to 0.5% of covered earnings at first, to 1.0% a few years later, and—if necessary—to 1.5% when the program approaches as full maturity as can be foreseen. The division of contributions between employers and employees could be in one proportion or another.

"With insurance premiums fixed as a percentage of earnings (up to a "ceiling"), contributions would be reasonably related to ability to pay; and the resources of the insurance system would automatically adjust to income and price levels. Thus, with the help of a contingent reserve, the insurance system would be able to preserve financial balance.

"This insurance program would require increases in national expenditures for the kinds of services provided as insurance benefits, amounting at first to about 0.5% more of national income than in 1931 and later about 1.2% more. The insurance expenditures would still have to be supplemented by noninsurance personal expenditures—more at first when the insurance benefits are more limited, and less later on. Total expenditures for medical care and related health services would therefore probably be relatively larger than they are today.

Provide Nearly 100% Protection

"From its very beginning, national health insurance could provide insurance protection against a large part of all the costs that are burdensome to the individual family. As personnel and facilities become more adequate, the system could provide something approaching 100% of the needed protection. It could do this for at least 85% of the population at the outset and closer to 100% later on.

"At the same time, the insurance system could assure financial support for at least a minimum of essential personnel and facilities even in shortage areas, while supporting something approaching an adequacy level elsewhere.

"The insurance system could relieve federal, state, and local governments of substantial tax loads for personal health services. It could thus augment the capacity of general tax funds to support public health services, even while increasing the possibilities for lower tax levels.

Medical Care Would Improve

"In addition, the insurance system offers a large new opportunity to improve the quality and effectiveness of medical care through: (a) financial support of professional education and training, research and personnel and group practice for diagnosis, treatment, and rehabilitation; (b) new standards for facilities and specialists; (c) experimentation with methods of payment that encourage adequacy of care; and (d) financial assurance of access to a general practitioner and as needed to any available specialist, laboratory or hospital service. Finally, it could open a new chapter for progress in national health. The modern attack on preventable morbidity and premature mortality demands easy access to the physician and, through him, to all the other resources of modern medicine. Comprehensive national health insurance could make this fundamental requisite of modern public health practical and real.

"The potentials of national health insurance can be realized whether the insurance system starts with a full spectrum of benefits or with only one, two or three and adds the others in successive stages, provided the design of the early stages does not compromise the ultimate objectives.

"It is neither difficult nor dangerous to venture predictions of what's ahead if we continue to rely on voluntary insurance.

"Voluntary insurance of the kinds now predominant will increase in population coverage, but—measured against the total need—will continue to provide limited and meager in-

urance protection.

"Plans that furnish comprehensive protection will increase in number and coverage, especially under prodigal from labor and management; but they will continue to be quantitatively unimportant.

"Well-organized group practice plans will again and again demonstrate their ability to provide sensible and satisfying comprehensive services, to improve quality and adequacy of care, and to achieve professional and financial economies; and they will continue to be exceptions if not rarities on the American medical scene.

"Shortages and maldistributions of personnel and facilities will continue, and may even increase.

"Professional educational institutions will continue to have inadequate capacity to produce the personnel we need and can support, and to struggle with recurrent or continuing financial crises.

"At the same time, we will have an ever-growing number of more or less separate and uncoordinated programs financed by general revenues. They will seek—and they will find—tax support to provide services for particular population groups and diseases.

"Despite the counterpressures of tax-sensitive citizens, anti-tax leagues, and similar groups, at least hundreds of millions and perhaps billions will be added to the \$3.5 billion we now spend from general revenues for civilian public medical services and facilities.

More Is Demanded

"In short, I believe that in our high-level expanding economy, with our achievements in education, the public will increasingly demand and receive the benefits of modern medicine and public health measures, and adequate protection against medical costs. They will be served, because they will be able and willing to pay the costs. I believe that, if an adequate insurance approach is denied the public, they will inevitably support expansion of the public services—just as the British public supported a national health service to supersede an inadequate insurance system.

"The pattern of social insurance is sound because it provides for common need while preserving and fostering the dignity and self-respect of the individual. Since most of our present public medical services are conditioned on a means test, they do not meet these criteria. Such a test cannot be avoided for those who need public aid for other necessities, but it should not be necessary for medical care alone. Without adequate insurance, I expect waves of public pressure that will dilute the means test and finally wash it out of our public medical services. There are some who would welcome that course; but I believe the public would prefer to be served through contributory social insurance, with its built-in financial stabilities and its safeguards for those who provide and those who receive services.

"Thus, if we agree on the need for wider use of insurance in financing health services, we find that voluntary insurance does not and cannot meet our national needs. We then consider voluntary versus compulsory insurance. But it soon becomes evident that this is the apparent but not the real issue. The choice before us is, rather: Shall we go forward relying mainly on contributory social insurance, or on limited voluntary insurance and expanding tax-supported public services?"

P. M. Honors Roy Alexander

Named man of the year by Pacific Mutual Life is Roy F. Alexander, Pendleton, Ore.

Associated with the Tomkin agency at Portland, Mr. Alexander placed more than 300 new policies during the past year. He joined Pacific Mutual in 1918. Fred S. Sibley, agencies vice-president, presented him a special plaque.

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Today, I'm the boss

TODAY, November 4, 1952, I will walk into a voting booth just around the corner from home and tell everybody how I want my country run.

Today, I am the boss.

In a way, of course, I'm boss in my country every day of the year. Government by the people, they say. The people, when you come down to it, is me.

But I don't work full time at governing. I've got my own job to do—a living to earn, a lawn to mow, kids to play with and bawl out and love and look after. So, for the hard job of running the country, I hire other men—smarter fellows than myself, I hope, but with the same kind of heart and purpose.

They govern for me—but I keep tabs. I listen to what they say. I watch what they do. It's a big country I live in, and there's room for different ways of looking at things. I vote for the people who see things as I do, and if enough other people agree, that's the way the thing gets done.

That's what it means to be the boss in your own country.

Now, there are places in the world where a man like me is not the boss. They don't let him vote. Or they march him to some public place and tell him whom to vote for.

I think the voiceless people of those lands are watching me as I leave my house today saying: "There goes a lucky man."

In this country of mine we love freedom so much, and hate force so much, that I am not even forced to vote. I could stay home today if I liked. I could sleep late and take it easy and let others do the job of choosing.

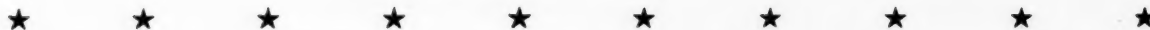
I could—but who'd want to? What spirited man or woman would loaf through a day like this, when he can go out and write boldly on the page of history: "Here's how I want things run in my country?"

No, today I am the boss and I must act like a boss.

Today, I must vote. My freedom, my happiness, my pride as an American, are bound up in that simple and wonderful act.

John Hancock

MUTUAL LIFE INSURANCE COMPANY
BOSTON, MASSACHUSETTS



VOTE!

In recent national elections in some free countries,
the following percentage of eligible persons voted:

Australia.....	96% voted (1951)
Great Britain.....	83% voted (1951)
Sweden.....	80% voted (1950)
Western Germany.....	75% voted (1949)
Canada.....	74% voted (1949)
Israel.....	72% voted (1951)
United States.....	51% voted (1948)

Only about one-half of our voters went to the polls in the last presidential election. The right to vote is a privilege and a responsibility. Let us make this year's vote the largest ever recorded in our history! Get out and vote November 4th! Urge all your friends to do likewise.

Metropolitan Life Insurance Company